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International
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NEWS SUMMARY

GENERAL

Harare senator killed by rebels

Zimbabwean senator Paul Savage, his daughter Colleen and a young woman friend from Britain were killed by a group of 20 to 30 dissidents who attacked the family home 90 miles south of Bulawayo at the weekend. Mrs Savage was seriously injured.

The killings followed a weekend military trip to Matabeleland in which journalists were told by the Government that because the National Army had been successful in driving out the dissidents, the dawn-to-dusk curfew was being lifted in many parts of the troubled province. Page 2

Sandinistas in control

The Nicaraguan Sandinista army appeared to be in control of the northern region of Nuevo Segovia where two columns of "counter-revolutionary forces" had entered from Honduras in February. The army claimed the rebel forces had been virtually wiped out. Page 18

Critical PLO talks

Leaders of the Palestine Liberation Organisation met in Jordan for critical talks which could affect the fate of the Reagan Middle East peace plan. Page 16

Peru violence

Political violence in the mountains of Peru claimed the lives of 320 people in the first quarter of this year, almost double the number in the whole of 1982.

Botha 'no' to talks

South African Prime Minister P. W. Botha rejected an offer from Zambian President Kenneth Kaunda to arrange a meeting with Pretoria's opponents, including the leader of Swapo, Sam Nujoma. Page 2

Bombing denounced

Greek newspapers described a weekend bomb attack on a hotel where 70 officials of the New Democracy Party were meeting as an attempt to undermine the country's stability.

Mystery illness probe

Two experts from the U.S. Centre for Disease Control in Atlanta, Georgia, arrived in Israel to investigate the mystery illness that has struck about 350 Palestinians in the West Bank.

Shuttle takes off

The new U.S. space shuttle Challenger took off from the Kennedy Space Centre, Florida, with a crew of four on board. It is to orbit earth 61 times before landing in California on Saturday.

Hartkopf resigns

Günter Hartkopf, Minister of State in the West German Interior Ministry since 1980, said he was resigning for "general political reasons".

Rome fraud arrests

Rome police arrested two men on charges of defrauding more than 50 companies of 500 lire (\$3.50) worth of merchandise in a complicated confidence trick.

Gloria Swanson dies

Gloria Swanson, the American silent movie queen, died aged 84 at a New York hospital after a brief illness.

Briefly

Quake of 5.3 on Richter Scale injured scores in North Sumatran city Banda Aceh, Indonesia.

Portuguese national rail strikes enters sixth day with no agreement in sight.

Australia is to protest to France about expected nuclear tests at Mururoa Atoll in French Polynesia.

BUSINESS

Indonesia exchange losses to be probed

INDONESIA's central bank, Bank Indonesia, is to set up a committee to investigate complaints that several of the country's foreign exchange banks made substantial losses because of the way in which last week's 27.5 per cent devaluation was handled.

Bankers believed Wednesday's trading in foreign exchange was one of the heaviest ever as speculation that a devaluation would soon take place reached fever pitch. The banks are believed to have put in requests early that morning for purchases of over \$150m, but these were turned down. Page 16

WALL STREET closed down 2.42

at 1127.61. Page 17

TOKYO: Nikkei Dow index rose

6.23 to 8,485.32 and the Stock Exchange index fell 0.86 to 614.55. Report Page 17.

EMS March 31, 1983

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MARKET

German peace marchers mount first challenge to Kohl N-policy

BY JAMES BUCHAN IN BONN

ABOUT a quarter of a million West Germans took part in rallies, marches and passive blockades over Easter in protest against nuclear armament and above all NATO's plans to station new U.S. nuclear missiles in the country from the end of this year.

This first test of strength between the active "peace movement" and Chancellor Helmut Kohl's Centre-Right coalition committed to NATO policy passed relatively quietly.

A number of arrests occurred in Berlin on Sunday where a crowd defied the allied commander's ban on demonstrations near military installations by blockading a U.S. ra-

dar station. The 160 people held were all later released.

The Frankfurt co-ordinators of the 90-odd events said that around 300,000 people had taken part up to Sunday evening while a further 100,000 turned out to demonstrations in large cities yesterday. With many people counted more than once, it seemed unlikely that the turnout matched the 500,000 who protested during President Reagan's visit to Bonn last June. Wet weather at the beginning of the weekend was blamed.

The "peace movement", a coalition of several thousand church, environmental and anti-nuclear groups supported in parliament by

the Greens and many on the Social Democrat Left, plans a graduated series of protests reaching a climax with blockades of the missile sites in October.

In a sign of what the autumn could bring, police on Friday used teargas and dogs to disperse a blockade of the Wiley U.S. airbase at Neu-Ulm in Bavaria, regarded as a likely site for some of the 108 Pershing-2 missiles allotted to Germany by NATO and which the U.S. will start stationing this year. The Pershing-2 is regarded by the peace movement as a first-strike weapon.

Herr Gerd Bastian, the Bundeswehr general turned Green deputy who was among those removed

from outside the base, said that Moscow's rejection of the U.S. offer to negotiate an "interim" balance in European theatre missiles - which would none the less include new U.S. systems in Europe - was "totally understandable".

Herr Carl Dietrich Spranger, parliamentary state secretary at the Interior Ministry in Bonn, said the Easter marches "served to support Soviet policy, which threatens our freedom and security".

Chancellor Helmut Kohl, meanwhile, has accepted invitations from the U.S. and Soviet leaders to visit Washington and Moscow this year.

East German peace demonstrators were able to hold a brief anti-nuclear rally in the Thuringian city of Jena on March 18, before being dispersed by security police, according to photos and accounts of the demonstration now reaching Berlin, Leslie Colitt writes.

The demonstration was held during a government-sponsored march to commemorate the bombing of Jena during World War II.

Some 100 demonstrators, mingling with official marchers, held up hand lettered placards with the slogan of the unofficial peace movement, "Swords into ploughshares". The East German authorities have banned the public display of this

slogan. Other signs held up by the peace marchers said: "No future without peace", "Make peace without weapons" and "No war toys."

The demonstrators were able to display their signs for several minutes before plain clothes members of the East German security police moved in. They tore the signs from the demonstrators and broke wooden poles, used to hold the signs, across their backs. A number of the protesters were taken into custody.

● In Italy, an estimated 1,000 people took part in a peace march yesterday up to the gates of a Nato base in the northern province of Alto Adige.

Japan rejects Soviet 'right' to station missiles in Far East

BY JUREK MARTIN IN TOKYO

JAPAN HAS rejected as "out of the question and unacceptable" the Soviet Union's claim that it has the right to station intermediate range nuclear missiles in the Far East.

Mr Yasuhiro Nakasone, the Japanese Prime Minister, and other government officials flatly denied a charge by Soviet Foreign Minister Mr Andrei Gromyko, that the U.S. already has nuclear weapons deployed on Japanese soil. Mr Gromyko said the presence of U.S. missiles justified Soviet counter-measures in Siberia.

Mr Nakasone said Japan will demand that the Soviet Union withdraw its SS20 missiles from Siberia when officials from the two countries meet in Tokyo next week for previously scheduled discussions.

The vehemence of Japanese statements in the last 48 hours, after Soviet dismissal of President Reagan's latest offer on European missile reduction, reflects the closeness of Japanese-Soviet relations and is in line with Japan's long-standing position on arms reduction.

Japan has been one of the staunchest supporters of Mr Reagan's "zero option" proposal, because it has assumed that the zero option implied the dismantling of all intermediate range nuclear missiles, whether stationed in Europe or elsewhere. The Japanese view has always been a potential complication for the U.S. in the Geneva negotiations covering the European theatre.

This became apparent two months ago when Mr George



Mr Yasuhiro Nakasone

Shultz, the Secretary of State, passed through Tokyo. He assured Mr Nakasone that the U.S. would take account of Japanese concern in the Geneva negotiations. But he did not commit the U.S. to demanding that in any European solution short of the zero option the Soviet Union also remove its SS 20s from the Far Eastern front.

Japanese officials were similarly pleased at Mr Reagan's reference last week to the need for reduced missile deployment "on a global basis." Mr Reagan went so far as to send Mr Nakasone a personal letter outlining in advance his new stance. Normally, such a letter would only have gone to Nato heads of state.

But U.S. expressions of concern, as Mr Gromyko's assertions and

the subsequent Tokyo reaction make clear, do not solve the problem of the Japanese position. Mr Nakasone has told Washington that any missile reductions in Europe must not, in Japan's view, be agreed if Asian and Japanese interests are sacrificed.

"The U.S. alone," he said, "has influence to make the Soviets abandon bringing SS20s to Asia." To this end, he went on, Japan must improve its own defence capability to demonstrate its reliability as an ally of the U.S. This, in turn, would make it more desirable for the U.S. to negotiate an agreement with the Soviet Union that did not entail the transfer of Soviet missiles from Europe to Asia.

The problem for Mr Nakasone has been that the hawkishness implicit in such comments is not, according to most opinion polls, enhancing his domestic popularity. Although the Japanese public has not been in the vanguard of the international anti-nuclear missile movement (last month's visit to a Japanese aircraft carrier Enterprise was met with minimal protest), defence has high political visibility here.

The Japanese political establishment still appears to hold firm to its non-nuclear principles: that Japan will not possess, use or permit the introduction of nuclear weapons into the country, even from the U.S. Thus the Japanese stake in arms control is considerable - as is its nervousness when it appears isolated.

U.S. business jet group to go public with major share offer

BY RICHARD LAMBERT IN NEW YORK

GULFSTREAM AEROSPACE, a U.S. manufacturer of business jets, is going public this week in one of the biggest initial offerings in Wall Street's recent history. The share sale could leave Mr Allen Paulson, Gulfstream's founder and chairman, with cash and shares worth over \$300m.

Based in Savannah, Georgia, the group's main product is the Gulfstream III jet, a long range 19-passenger aircraft which it sells mainly to big corporations and governments for around \$10.5m. It also makes the Commander range of twin engine turboprops, which accommodate up to 11 people including the pilot, and sell at a modest \$1.5m to \$1.8m apiece.

In the next few years, the group expects to spend around \$50m on developing the Gulfstream IV, an intercontinental twin jet, aircraft, which will be quicker and more fuel efficient than the current model. Earlier this year, Gulfstream signed a contract with Rolls-Royce of the UK for 200 engines to be used on the new model, and the

needed to finance a \$6.6m progress payment on this order is one reason for the public share offering.

Mr Paulson, 60, set up in the aircraft trading business in 1955 but did not make a big impact until 1978 when he bought Grumman American Aviation - which had developed the Gulfstream - from Grumman and a number of other shareholders. In 1981, the group picked up the General Aviation Division of Rockwell International, which made the Commander series.

Gulfstream's net income jumped last year from \$12.4m to \$43m, or \$1.41 a share, but new orders for the Gulfstream III slipped from 32 to 15 aircraft as a result of the recession. Commander production was halted for 44 days, and only resumed in the late summer at a reduced rate. Lower interest rates and fuel prices are expected to boost Commander deliveries this year.

The offering involves 7 million shares - around a fifth of the enlarged capital - and the estimated

offering price is in the range of \$17 to \$20 a share. Of the total, 3.75m shares will be sold by existing investors, mainly Mr Paulson, and the rest will raise new capital for the company.

According to the prospectus, revenues this year will be squeezed by the fall in new orders during 1982 and a decision to withhold from sale three Gulfstream IIIs for potential lease to the U.S. Air Force. The group's cash payments will rise substantially in the first half of this year, as a result of a big tax payment and the progress payment to Rolls-Royce. Gulfstream does not plan to pay any dividends in the near future.

All the same, the offering comes at a time when Wall Street is showing an apparently insatiable hunger for new equity issues. Total equity issues in the first three months of the year amounted to just under \$11bn, a rise of 440 per cent on 1982's level.

The Gulfstream offering is being handled by Shearson/American Express.

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OVERSEAS NEWS

Vietnamese overrun Sihanouk stronghold near Thai border

BY KATHRYN DAVIES IN SINGAPORE

VIETNAMESE TROOPS have overrun the north Cambodia stronghold of Prince Norodom Sihanouk, the titular head of the Kampuchean resistance movement, according to Thai military spokesmen in Bangkok. The Vietnamese are also reported to have again crossed into Thai territory and clashed with Thai troops in a bid to encircle Kampuchean guerrillas operating on the volatile Thai-Kampuchean border.

Gen Arthit Kamlang-Ek, the Thai army commander-in-chief, described the situation as "violent" and "very serious."

He said that, for the first time since Vietnam overthrew the Khmer Rouge regime in Kampuchea in December 1978, Vietnamese troops were apparently willing to engage Thai forces in direct combat.

Thailand was reported yesterday to have launched air strikes against Vietnamese positions just inside Thai territory.

The latest camp the Vietnamese are reported to have captured was known as "Sihanoukville" after the leader. It housed 40,000 Kampuchean loyal to the prince, half of whom are said to have fled into Thailand.

Western correspondents have not so far been permitted by the Thai military to go to the border, but reports suggest that at least 50,000 Kampuchean have crossed into Thailand in the past few days.

In an attack last Thursday, places after they failed to disperse rock-throwing crowds with water and teargas, officials said. Police and searchers could not provide immediate medical aid to the injured as highways remained blocked.

Balwant Singh, an Akali leader and former state finance minister, claimed 16 people had died from police bullets. His charge could not be independently confirmed.

At least 22 killed in Sikh blockade protests

NEW DELHI—Police shot dead at least 22 people and about 100 were injured yesterday during a campaign by Sikh militants to blockade roads across Punjab state in northern India, authorities said.

An estimated 6,000 activists of the Akali Dal Party placed tree trunks across roads and staged sit-ins at intersections to block traffic during the eight-hour demonstration, the latest in a nearly year-long campaign by Sikhs for religious and political concessions from the central Government.

Police opened fire at several

Yugoslavia puts up retail prices

The retail price of nearly 500 items went up in Yugoslavia yesterday as the government raised taxes on consumer goods in an austerity programme to help the country out of economic crisis, Reuters reports from Belgrade.

The measure, affecting goods ranging from sugar and mineral water to textiles, sports equipment and natural gas, will raise the retail price index by 1.5 per cent and the cost of living index by 1.2 per cent, officials said.

Inflation in Yugoslavia is running at nearly 35 per cent, compared with a 1983 target of 20 per cent.

Police kill S. African protester

A South African community leader opposed to the government's seizure of black-owned land was shot dead at the weekend by a policeman trying to scatter angry protesters in one of the condemned villages, AP reports from Johannesburg.

Saul Mkhize, 48, was the elected leader of some 5,000 blacks in Driefontein, a farming village 125 miles east of Johannesburg.

Spain-Israel talks signal rapprochement

MOVES towards a rapprochement between Spain and Israel under Madrid's new Socialist Government are signalled by a meeting here today between Mr Shimon Peres, the Israeli Opposition leader, and Prime Minister Sr Felipe Gonzalez, David White reports from Madrid.

Mr Peres, who arrived here on Sunday prior to a meeting of the Socialist International in Lisbon starting tomorrow, is the first top Israeli politician to be received here in this way.

Decline in foreign trade continues

FOREIGN TRADE by the world's industrialised countries declined for the second consecutive year in 1982, reflecting global recession, the International Monetary Fund (IMF) AP-DJ reports from Washington.

Exports by industrialised countries totalled \$1.16 trillion (million million) in 1982, down 5.3 per cent from a year earlier. Imports totalled \$1.22 trillion, down 6.1 per cent from 1981.

Joint action sought on Iran's elusive oil slick

TWENTY MILES north of Bahrain, a sudden squall whipped up a patch of clear water. It was easier then to distinguish the rim of an oil slick.

Closer inshore, a member of Bahrain Petroleum Company's (BAPCO) oil spill response team, Yousuf Matter, pointed out a floating barrier surrounding the refinery's sea-water intake, with an outer rim of floats supporting a net to trap tar-balls. As a defence against an estimated 0.25m barrels of spilled oil, it looked pathetic.

The seven-seater Bell helicopter had been airborne for an hour before we saw the first sheen of oil nearly 30 miles off the north-east shoreline.

Mr Darko Domovic, the Malta-based UN environment programme consultant on loan to Bahrain, and Gordon Lindholm, an Exxon consultant assisting BAPCO, pencilled in positions on their cyclostyled sketch maps. From then on, there were frequent patches of sheen, some three or four miles wide.

Some light oil streaks were sighted only two miles off the island of Muharraq, and a stream of oily sludge under the bridge which links Muharraq with mainland Bahrain. It was

coming out of a small dhow port. "Regular harbour pollution," wrote Mr Domovic.

His assessment afterwards: "What we have seen today is nothing—not more than 100 tonnes of oil. If that hits the shoreline, it will do little damage."

So what about the heavy slick reported by incoming aircraft 10 days ago, covering 600 square miles? "I've only been here six days, and I have not seen it. I do not think it is likely that it has sunk below the surface."

Perhaps today's meeting will give a better picture of where the oil is. Until now, there has been a shortage of information from the Iranian side of the Gulf, and satellite pictures are not easy to interpret. Oil which has already hit Qatar over the past two days may not be from Nowruz. There are hints in Bahrain of an unpublished leakage from two Saudi offshore wells, which could account for the presence of lighter oil.

In the face of mounting apprehension, Qatari officials have appealed for calm, and reassuring statements about the state of preparedness are issued daily from Kuwait and the UAE. In Bahrain, journalists seeking from the fractured well the entry visas are being told: "This

event has been media-inflated. There is no sizeable oil slick near Bahrain."

Yet when asked on television on Sunday evening if the oil disaster was controllable, the Bahraini director of Marine Emergency Mutual Aid Centre replied: "I doubt it, if the spillage continues."

Briefly, the background to the problem is as follows. Some time in 1981, a ship was in collision with a single well platform in Iran's Nowruz field. The platform was shut down and left with a 45 degree list. In early February this year it collapsed, and oil began seeping from the fractured well. The Iranian oil entered into negotiations

the political issues posed by the two damaged wells in Iran's offshore Nowruz oil-field has been postponed until Wednesday. All round the Gulf, Governments are taking individual precautions. On Sunday, FT reporter Mary Frings went up with an oil-spotting helicopter patrol to assess the situation.

With Paul "Red" Adair's Texas company of oilwell trouble-shooters, and team leader Billy Dreyer arrived in the Gulf to mobilise men and equipment.

They were ready to use the Feridoun field, close to Saudi waters, as a springboard for repair operations when Iraqi helicopters carried out a missile attack on Nowruz on March 2, setting a four-well and a two-well platform on fire and causing a leakage from another two-well platform.

Dreyer flew in, but sought an assurance that his men would not come under Iraqi attack while fighting fires and capping the wells. The Iranians paid out 11 days' "waiting time" at

\$145,000 a day before Dreyer took his team back to Houston. Up till now Iraq has said it is seeking a total ceasefire—or none at all. However, yesterday Iraq said it was prepared to observe a limited ceasefire in areas affected by the oil leak.

Iraq's conditions for a ceasefire are not relevant, according to Dr Ali Kakiro, a member of Bahrain's Cabinet and a former president of the Kuwait-based regional protection agency, says candidly: "We talk about environmental problems—we need to educate the officials. They are just not aware of the gravity of the situation."

Many environmentalists are bitterly disappointed by the failure to control pollution problems.

Dr Ali Kakiro, a member of Bahrain's Cabinet and a former president of the Kuwait-based regional protection agency, says candidly: "We talk about environmental problems—we need to educate the officials. They are just not aware of the gravity of the situation."

Basques set new terms for pact on terrorism

BY DAVID WHITE IN MADRID

GROWING FRICITION between Spain's ruling Socialist Party and the Basque Nationalist Party (PNV), which holds power in the autonomous Government of the Basque region, has reached a new pitch in the run up to countrywide municipal elections, a month from now.

The latest row stems from a document published by the PNV at the weekend setting conditions for its continuing co-operation in fighting terrorism by the Basque separatist group ETA.

This has shown a resurgence in the last two months, with seven deaths and two kidnappings attributed to the extremist movement since the beginning of February.

The PNV document calls for a 1981 law governing devolution to the regions to be rescinded and for Madrid's civil governors in the Basque provinces to be withdrawn. The law, drawn up under a pact between the previous centrist government

and the Socialists and aimed at providing a uniform framework for transferring powers to the regions, was seen by the Basque nationalists as putting devolution into reverse gear.

As the conservative PNV and the more radical Basque parties celebrated a Basque National Day, on Sunday, the PNV leader Sr Xabier Arzallus said the Government had to show a "receptive attitude" towards nationalist claims if the PNV was to co-operate fully in the struggle against ETA.

The PNV's new stance brought fierce attacks, from local leaders of the Socialist Party and the Right-wing opposition.

It comes after the collapse of efforts at the beginning of the year by the PNV head of the Basque Government, Sr Carlos Garaikoetxea, to set up peace talks between his party, the Basque Socialists, and Herri Batasuna (People's Unity), the party linked to the hardline ETA-Militar.

White senator murdered in Matabeleland

BY OUR HARARE CORRESPONDENT

WHILE Zimbabwe Government Ministers continue to claim success in their military campaign against the Ndebele dissidents in Matabeleland, the weekend murder of a white senator, his 26-year-old daughter and a visitor from Britain whose name has been withheld.

A government spokesman said yesterday that the 60-year-old Republican Front senator, Mr Paul Savage, his daughter and her friend were killed by a group of some 20 to 30 dissidents who attacked the family ranch 50 miles south of Bulawayo at the weekend.

The insurgents ordered all workers to leave the ranch and then opened fire on the Savage family and their young female friend from Britain. Mr Savage was seriously wounded in the attack but, yesterday, family friends said the senator's wife was out of danger.

After the killings, the dissidents ransacked the home stealing a large quantity of property, the government spokesman said.

News of the killings followed hard on the heels of a weekend facility trip to Matabeleland in which journalists were told that because the national army had been successful in driving out the dissidents, the dawn-to-dusk curfew was being lifted in many parts of the province.

Stephanie Gray adds: Dr Joshua Nkomo, leader of the Zanu opposition party, yesterday reiterated his call for an all-party commission of inquiry to establish the causes of the dissident problem in Matabeleland.

The inquiry would also discover who was sponsoring the dissidents. Dr Nkomo said he had his own views on the sponsors but would not comment on suggestions that the rebels were supported by a foreign power.

He denied allegations by Mr Robert Mugabe, the Prime Minister, that Zanu was helping the dissidents.

Poor turnout for Malvinas Day parade

By Jimmy Burns in Buenos Aires

A MAJOR military ceremony marking the first anniversary of the Argentine invasion of the Falkland Islands yesterday drew little popular response, less than 48 hours after a march led by a group of war veterans had turned into an anti-Government demonstration in central Buenos Aires.

The ceremony, attended by hundreds of mainly uniformed officials, including President Reynaldo Bignone, the three service chiefs of the ruling military junta, brigade commanders, and Government ministers, had as its focal point a march past by key regiments that fought in the war against Britain.

But, for all the military pomp, the ceremony, near the capital's naval headquarters, turned out to be a major anti-climax with the surrounding streets remaining empty for most of the day.

The official timetable was dashed on Saturday by a demonstration of over a thousand people, led by a group of Argentine war veterans.

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WORLD TRADE NEWS

Swiss, UK sign nuclear fuel reprocessing deals

BY ANTHONY MCDERMOTT IN BERN

CONTRACTS HAVE been signed by Switzerland with British Nuclear Fuels (BNFL) for the reprocessing of used nuclear fuels from Switzerland's five nuclear plants—all but one of which are in operation.

According to the Bern-based Swiss Association for Atomic Energy (SVA), through these contracts and others with France, Switzerland has secured the means for reprocessing nuclear fuels "until far into the 1990s."

The four operational plants

are at Bessan (one and two) and Gösigen in the Basel area, and the fourth at Mühleberg, west of Bern. According to the SVA, the agreements with BNFL involve the reprocessing of about 220 tons of used nuclear fuel.

When operations begin at the fifth plant at Leibstadt, also near Basel—this is planned for next year—the plants in operation will use annually somewhat less than 100 tons of nuclear fuel. After reprocessing by BNFL, the uranium and

plutonium regained will be available for use by power stations again.

The agreement is bound to provoke reaction among the Swiss anti-nuclear movement. For according to the SVA some of the highly radioactive waste of this reprocessed material will possibly be brought back to Switzerland for storage in the 1990s—a controversial issue already under study by the National Association for the Storage of Radioactive Waste (Nagra) here.

Malaysia puts end to British trade row

By Wong Sulong in Kuala Lumpur

DR MAHATHIR MOHAMED, the Malaysian Prime Minister, has formally announced the end of the "buy British last" policy, saying that in future, British goods would be treated on an equal basis as those of their competitors.

He said over the weekend that Government agencies would no longer be required to submit proposals from British exporters and contractors to the implementation and co-ordination unit of the Prime Minister's department for approval.

Dr Mahathir acknowledged that the anti-British directive had not had the widespread impact as Britain had feared largely because the fall in the value of sterling had made British goods cheap in Malaysia.

The Malaysian leader issued the famous directive in October 1981 and caught the British Minister of Trade, Mr Peter Rees, then in Kuala Lumpur with a trade mission, completely off guard.

The immediate reason for the directive was Dr Mahathir's anger over the change in the takeover rules in the London Stock Exchange, shortly after the successful acquisition of Guthrie Corporation by the Government-owned investment agency, Permodalan Nasional.

Although British authorities stressed that the changes were long overdue, Dr Mahathir regarded the thing as directed against Malaysia.

The Malaysian leader later expanded on the reasons behind the directive, saying Britain had taken Malaysia for granted, and had been insensitive to Malaysian aspirations, in particular over the New Economic Policy, which aims to buy back Malaysian assets to increase Malay ownership to 30 per cent by 1990.

Since then, the British Foreign Office and business community had been working quietly to bring bilateral relations on an even keel. Various missions, both parliamentary and business groups, were sent to Malaysia while Malaysian leaders visiting London were accorded favourable treatment.

HELP FOR HARLEY MOOTED

Japan seeks ways to offset U.S. duties

BY JUREK MARTIN IN TOKYO

JAPANESE Government and industry are considering how to respond to the Reagan Administration's imposition of stiff tariff increases on the import of large motorcycles to the U.S.

Both public and private sectors in Tokyo expressed deep disappointment with Mr Reagan's upholding of an earlier recommendation by the U.S. International Trade Commission providing protection against imports to Harley Davidson, the troubled and sole remaining American manufacturer of high-powered motorcycles.

Mr Reagan's action is widely seen in Japan as a flagrant contradiction to his frequently publicly expressed commitment to free trade.

Yesterday, Mr Sadanori Yamashita, the Minister for International Trade and Industry, told a parliamentary committee that Japan had no alternative but to protest the decision through diplomatic channels and to seek redress under the articles of the General Agreement on Tariffs and Trade (GATT).

Specifically Miti might ask

that the U.S. take "compensatory" action under article 19 of GATT. This could entail, for example, the U.S. cutting duties on the import of smaller Japanese cycles.

Miti is also apparently willing to continue to explore the possibility that the Japanese motorcycle industry might come to Harley Davidson's assistance in ways that would not contravene U.S. anti-trust laws. As previously reported, one such scheme, discussed informally between Miti and the Japanese companies, could involve Suzuki and Yamaha buying up surplus Harley Davidson inventory for a year, with Honda supplying the U.S. concern with technological know-how over a longer period.

One option for the industry itself, specifically Honda and Kawasaki, is to increase production at their existing U.S. plant in Ohio and Nebraska respectively, thus avoiding the increase in import duties. But Yamaha and Suzuki might also have to consider establishing U.S. assembly plants.

As it is, the swollen inventories of large Japanese

motorcycles in the U.S. is believed to amount to about 200,000 machines, not far short of total sales for last year (when the Japanese manufacturers commanded 85 per cent of the U.S. market). These stocks, presumably also free of the higher duties, could be sold in the coming year.

But if, as some Japanese sources suspect, the administration's purpose is to give Harley Davidson a year to see if it can turn itself around, then the continued presence of competitively priced Japanese motorcycles in U.S. showrooms could invalidate that experimental period.

President Reagan's decision also constitutes something of a psychological blow to the Japanese Government which had reason to believe that a series of recent actions on the trade front had taken some of the heat out of international complaints about Japanese trading practices.

However, the U.S. action appears to bear more than passing resemblance to the unilateral French move in consign-

ing Japanese exports of video cassette recorders to customs clearance at the remote town of Poitiers. What worries Japan is that the French initiative, for all its breaking of GATT and European Community rules, undeniably contributed to the subsequent broad agreement restraining Japanese VCR sales to Europe.

● AFDJ adds: Hitachi's wholly-owned subsidiary in Landsberg, West Germany, will begin production of video cassette recorders three months earlier than originally scheduled, a Hitachi official said yesterday. Hitachi expects its subsidiary, Hitachi Consumer Products (Europe), to produce initially 5,000 units each month from as early as October. The official denied that the change in the production schedule had any direct connection with the agreement in February by Japan and the EEC to limit Japanese VCR exports.

The agreement calls for Japan to hold exports to 4.55m units during fiscal 1983, which ends March 31 1984.

Egypt after more N-plant bids

BY CHARLES RICHARDS IN CAIRO

EGYPT is seeking international bids for a pressurised water reactor (PWR) to be set up at Al Daba on the northwest coast 160 km west of Alexandria.

The power plant will be of two 1,000 MW units, numbered 1 and 4 by the Egyptian Nuclear Power Plants Authority (ENPPA) in the series of eight units Egypt is hoping to build by the year 2000.

Bids for 3 and 4 are invited from companies in France, the U.S. and West Germany, with which Egypt has signed bilateral nuclear co-operation agreements. Competent bidders are invited to submit a complete technical, commercial and financial bid for the turnkey project.

The ENPPA has at the same time asked France to delay the submission of tenders for units 1 and 2 to the same date. Units 1 and 2 are also to be built at Al Daba.

The ENPPA has asked a consortium led by Electricité de France and including Framatome and Alstom-Atlantique to submit a turnkey bid for two PWR units of 950 MW for units 1 and 2.

The ENPPA says it will consider bids for 1 and 2 at the same time as 3 and 4 and choose the best and cheapest.

Crucial will be the financing terms available. Egypt has set aside \$700m for its renewable energy fund from oil revenues. But falling oil prices have cut

off any increase in the fund for the time being.

Egypt has told France it was seeking almost 90 per cent financing in the form of soft loans to cover the convertible currency costs, estimated at 80 per cent of the \$1bn per unit.

Although the ENPPA has by delaying the awarding of a contract on units 1 and 2 sought to obtain more favourable financial terms, it is unlikely to get from the U.S. or West Germany better terms than it could through the French Government and 1 and 2 will likely be the first to be built.

Companies likely to tender bids for 3 and 4 include Framatome and Alstom-Atlantique of the U.S. and B1 of West Germany.

SHIPPING REPORT

Oil cuts boost still awaited

BY ANDREW FISHER

THE TANKER market is tired of waiting for oil price cuts to set off a new round of increased business at higher rates. "Last month," said Fearnleys, the Oslo shipbroking company, "fizzled out with as much sparkle as in the leftovers of yesterday's magnum of champagne."

Whether or not signs of an incipient upturn in shipping rates, at least for dry cargoes, have made brokers more light-headed, it is noteworthy that Fearnleys is still talking of champagne.

The contraction of seaborne

trade in the last year or so and the over-tonnaging that resulted from the wave of ordering in 1979 and 1980 has accustomed shipping markets to gloom.

Last week was subdued ahead of Easter. But Fearnleys, in its monthly report, was encouraged by definite signs that an upturn in the U.S. economy was on the way.

It noted that the effect of the recovery and of its impact on Europe would be very much dependent on its strength. "For the shipping industry, the short-term effect of a U.S. recovery will be very limited."

But Fearnleys reckoned that recent increased activity and rates in dry cargo markets would continue into April.

Coal rates from Hampton Roads on the U.S. east coast went up in March from \$14.50 to \$17.50 a ton. Across the Atlantic, grain rates from the U.S. Gulf to continental Europe for 60-80,000 ton ships improved modestly from \$8.50 to \$8.75.

With the market continuing its gradual recovery from the depressed levels of the past two years, more enquiry was noted for ships needed for periods longer than single voyages.

MAN withdraws from Manila diesel project

BY EMILIA TAGAZA IN MANILA

MAN of West Germany has finally withdrawn its proposal to build a \$55m high-range diesel engine plant in the Philippines, and the Government has declared that the project will not be offered to other foreign bidders.

Mr Roberto Ongpin, the Trade and Industry Minister, said yesterday that MAN's proposal did not meet the Government's export requirements. The three-year-old negotiations between MAN and the Philippine Board of Investments (BOI) were stalled over the export and local content requirements which MAN considered "too high."

Perkins Engines of the UK and Detroit Diesel of the U.S. have shown interest in the project, but Mr Ongpin said he doubts if these companies will still be interested in view of the expected decline in diesel fuel consumption. "I doubt if they will still push it because it is no longer viable for them," Mr Ongpin said.

However, Mr Ongpin said production of higher range engines may yet be offered to Isuzu Motors of Japan, which is currently building a \$40m low-range engine plant in the country. He said that Isuzu has excess capacity and the re-tooling of some of its facilities could yet make the production of high-range engines viable.

The diesel engine programme is one of the Philippine Government's so-called 11 major industrial projects, packaged by Mr Ongpin and aimed at putting the country at the threshold of industrialisation.

● Empain Schneider's Spie Batignolles subsidiary has won a FFf 216m (\$21m) contract to build the first of three road sections in the Congo. Reuter reports from Paris. The contract includes the building of a 300 metre bridge and surfacing of the road between Bas-Kouiliu and Kola. The work is expected to take 34 months to complete, the company said.

ECGD backs Peru loan

THE EXPORT Credits Guarantee Department has guaranteed funding and repayment of a \$10m general purpose line of credit which Midland Bank has made available to Corporación Financiera de Desarrollo (Coside) of Peru, out of World Trade Staff writes. The loan will help finance the supply of UK capital goods and services. Exporters will receive 85 per cent of the value of eligible contracts direct from the loan.

To qualify under the line of credit a contract must have a minimum eligible value of \$47,000 and be placed by February 1984.

World Economic Indicators

	RETAIL PRICE INDICES (1975 = 100)				% change over previous year
	Feb. '83	Jan. '83	Dec. '82	Feb. '82	
UK	242.7	241.8	241.5	230.4	5.3
U.S.	181.6	181.9	181.4	175.8	3.3
W. Germany	138.4	138.6	138.3	133.7	3.5
Japan	149.0	148.7	149.0	146.1	2.0
France	218.0	216.0	214.2	198.9	9.6
Belgium	166.3	164.4	164.5	153.5	8.3
Netherlands	154.7	154.7	155.0	149.0	3.8
Italy	322.4	317.9	315.6	277.4	16.2

Source: Various

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UK NEWS

HOPES RISE AS MEETINGS ARE CALLED

Unions get the peace plans in car disputes

BY JOHN LLOYD, LABOUR EDITOR

FORMULAS aimed at ending the disputes in Britain's two major motor manufacturers will be put to shop stewards and mass meetings today and tomorrow.

The 5,000 workers at British Leyland's assembly plant at Cowley, where the company's new medium-sized Maestro car is built, will today receive a letter from the company outlining a plan to phase out the traditional three minutes "cleaning-up" time during the next few weeks.

They will also be told that Cowley could move to "audited plant status" under which higher bonuses could be earned.

Shop stewards will hold mass meetings tomorrow to discuss the new proposals - though the feeling at present is that they will not be sufficient to ensure a return to work.

The company said yesterday it would not offer an extra bonus to remove the cleaning-up time, which is unique to the Cowley plant.

A spokesman said: "Our position is quite firm and quite clear - if Cowley is to improve its efficiency then these minutes have to be removed."

Hopes for a breakthrough in the strike at Ford's Halewood plant,

which today enters its fourth week at a cost in lost production of about £75m, depend on the outcome of a meeting this morning between Mr Ron Todd, the senior national officer of the Transport and General Workers' Union and local union officials.

Mr Todd will outline a formula reached by union and company officials last week at the Advisory, Conciliation and Arbitration Service, under which production will resume while a three-strong inquiry team investigates the cause of the dispute.

The strike began after a line worker, Mr Paul Kelly, was dismissed for allegedly damaging a bracket in a car under production.

An issue still unresolved between the two sides is payment for Mr Kelly while the inquiry takes place. The company has proposed an extra payment, while the union wants a payment in line with the average wage.

A separate dispute looms at the plant over plans to offer redundancy payments to about 1300 workers.

Compromise proposals aimed at ending the three-week strike of dockers in the Port of London seem likely to be agreed at a meeting be-

tween the Port of London Authority and the Transport and General Workers' Union tomorrow.

The strike, which now involves some 4000 dockers and lightermen, is over a claim by the dockers for parity with minimum rates of pay enjoyed by tally clerks in the port.

The new proposals, thrashed out by the local arbitration council late on Thursday night, go some way towards achieving parity between the two groups, but stop short of the dockers' demand for a minimum wage.

It is understood that the formula includes extra holiday pay and productivity payments.

These will be discussed by management and union officials in the enclosed docks joint industrial council tomorrow, and are likely to be put, possibly with a recommendation to accept, to a mass meeting on Thursday.

The dispute is reckoned to have cost the Port of London Authority £2.5m, and has wiped out the £2m-£3m profit expected for the past financial year.

The authority said yesterday cargo had been diverted to other UK ports, or to Continental ports for later transshipment.

Six Conservative MPs likely to end up without seats

BY JOHN HUNT

IT now seems likely that about six Conservative MPs will be left without seats for the next general election as a result of the extensive changes to constituency boundaries.

About 12 MPs are still looking for a safe Tory constituency, but as the selection process comes to an end the chances of finding one become more and more remote.

About 300 constituency Conservative parties have chosen their prospective candidates and about 280 of the party's sitting MPs are unaffected by the boundary changes.

There are fewer than 70 constituencies where the choice is still being made and the number is dwindling rapidly.

Sitting MPs who find themselves without at the end of the day will be encouraged to seek election to the European Parliament and any applications from them will be sympathetically considered.

The failure to select Mr Keith Stainton for either part of his present constituency of Sudbury and Woodbridge has angered many local Tories. His constituency will be divided into Suffolk Coastal and South Suffolk.

Suffolk Coastal has gone to Mr John Selwyn Gummer, MP for Eye

and Under-Secretary for Employment, and Mr Tim Ieo, director of the Spastics Society, has been chosen for South Suffolk.

A South Suffolk Conservative Action Group has been formed which hopes to bring the matter before a general meeting of the constituency association and to protest at the failure to select Mr Stainton.

Sir Anthony Grant, who sat for Harrow Central for 18 years, failed to be selected for the new Harrow East which absorbs a large part of his old constituency. Instead Mr Hugh Dykes, present MP for Harrow East, has been chosen.

Sir Anthony is a former vice-chairman of the Conservative Party who had special responsibility for selection of candidates.

Mr Nicholas Fairbairn, former Solicitor-General for Scotland, will know his fate in about a week's time. He is on the list for his present constituency of Kinross and West Perthshire, much of which has been taken into other constituencies under the changes.

Mr William Walker, the present MP for Perth and East Perthshire, has been adopted for the new Tayside North, which takes in the northern slice of Mr Fairbairn's constituency.

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

6¾% Sinking Fund Debentures due November 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on May 1, 1983 at the principal amount thereof \$490,000 principal amount of said Debentures, as follows:

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21 47 70 73 75

Also Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

58 626 1282 2088 3025 4288 4888 5628 6098 10638 11388 12688 13688 14588 17288 19688 19888
208 788 1988 2288 3588 4488 5188 6188 9588 10888 11688 12788 13888 14688 19188 19788 19188
288 388 5188 5488 6088 6588 7188 9888 11088 11888 12888 14288 14888 18488 18888 19288
488 588 2688 3288 4288 4788 5088 7688 10088 11188 12488 14488 17588 18588 19588 19988

On May 1, 1983, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg.

Debentures surrendered for redemption should have attached all unattached coupons appurtenant thereto. Coupons due May 1, 1983 should be detached and collected in the usual manner.

From and after May 1, 1983 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI

By: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, Fiscal Agent

March 30, 1983

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

M-7045 7857 7666 7676 7702 7705 7719 7726 7727 7734 17105 18402 18405 18457

Draft report tries to bring uniformity to pension accounts

BY CHRIS CAMERON-JONES

A FIRST attempt to bring some uniformity to the pension fund jungle in UK company financial reporting is ready for publication, in draft form, by the accountancy profession.

This was announced by the Accounting Standards Committee (ASC) which has had a working party examining for a year how companies should disclose the costs and liabilities related to employees' pension arrangements.

Disclosure about pension funds, which for most companies are a major financial commitment, is required to be made this year under the 1981 Companies Act. The ASC exposure draft on the subject will represent the first real guidance on the way to satisfy the legislation and should be released before the end of April.

Though the outline proposals describe what should be mentioned in the actuaries' reports, they leave the much tougher problem of actual valuation methods used for further consideration.

Basically they mean that companies accounts would have to show arrangements for pensions in an understandable manner; any legal obligation made to maintain the solvency of a fund; how a scheme is paid for; and the accounting policy employed.

They would also have to reveal the charge made in the profit and loss accounts, pointing out any special payments, and any commitment to change the rates of contributions in future.

Comments on the draft documents will be sought from interested parties during the next six months.

It was also reported yesterday that final approval has been given to the accounting standard dealing with foreign currency transactions which will be published on April 18, effective from April 1, 1983.

In this standard, SSAP20, the accountants have bowed to objections from the banks on how to treat the effects of foreign exchange move-

ments by dodging the main controversial areas.

Overall application of the standard is aimed at making reported profits of companies more realistic by removing many of the effects of unrealised gains and losses arising from exchange movements.

Reference to "distributable profits" has been deleted and the subject is to be debated further. Second, companies which do not prepare accounts in accordance with the eighth schedule of the new Companies Act, namely banks, insurance companies and some shipping companies, are not required to disclose gains and losses on foreign currency borrowings or to make disclosure that requires distinction to be made between long and short term monetary items.

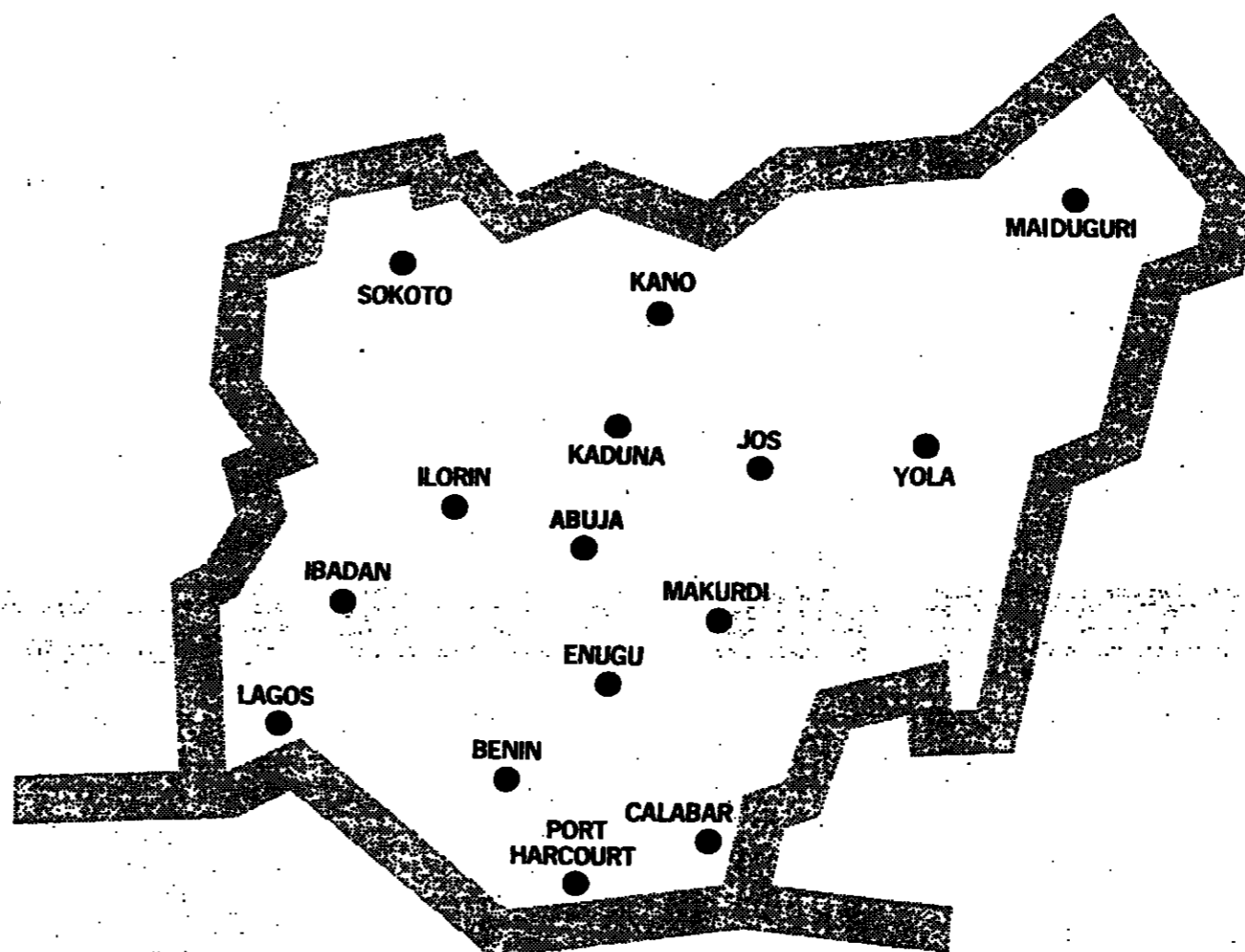
Finally the "cover procedure," under which companies match overseas borrowings to overseas investments is extended from consolidated group accounts to those of individual companies.

Eric Short writes: The Life Offices Association and the Associated Scottish Life Offices, the two main official trade bodies of the UK life assurance industry, are perturbed that the Government is not taking any action in the Finance Bill to curb tax avoidance life contracts, beyond clamping down on secondhand bonds.

It is understood that the associations intend to write jointly to Mr Nicholas Ridley, Financial Secretary to the Treasury, seeking an explanation of the official Inland Revenue attitude to tax avoidance schemes.

Last year some companies promoted bonds - the so called second-hand bonds - which enabled investors to minimise or avoid tax liabilities on life assurance bonds.

Now there has been a switch to marketing another style of plan known as the Capital and Income Bond, which is more tax efficient than secondhand bonds. Some companies are reporting sales of these bonds in excess of £1m a week.



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UK NEWS

'More facts needed' on business flying

By Michael Donne,

Aerospace Correspondent

MUCH more information about the state of business flying in South-East England is essential before adequate facilities for this type of aviation can be provided there.

This broad conclusion emerges from a study prepared by a Department of Trade committee and designed to stimulate discussion on business flying facilities.

The consultation document, which the Government hopes will form the basis for detailed discussions with all interested parties, says studies have been hampered by the lack of reliable statistical information on aviation as a whole and on business aviation in the South-East.

The committee found numerous disagreements between the aviation industry and local authorities and amenity groups and says everyone is in a difficult position "through lack of an agreed measure of demand".

The consultation document (£4 post-free) is obtainable from the Department of Trade Library, Room LG37, 1, Victoria Street, London.

A London exhibition confirms a UK fashion revival

British fabrics back on top

By ANTHONY MORETON, TEXTILES CORRESPONDENT

FABREX, WHICH opens tomorrow morning at London's Olympia, will offer further confirmation that Britain's fabric and fashion trades are back on top of the world league.

"There has been a big resurgence in British fashion," says Miss Victoria Poore, who runs the exhibition for Philbeach Events, a subsidiary of Town and City Properties. "Young British designers are coming home, such as those at Daniel Hechter."

"People are also coming to London to buy because we are an interesting place. All eyes now focus on London, which is again being hailed internationally as the fashion capital of the world."

For those nurtured in the belief that fashion begins and ends in Paris this might seem a large claim. But it is true according to all observers, except the French, and has come about despite the worst recession that the textile and clothing trades have ever known.

Fabrex has played its part in this transformation. At the end of the 1970s the fashion world was dominated by the Paris shows, the giant Interstoff fashion-and-fabric exhibition held in Frankfurt and the plethora of Italian exhibitions in Stresa, Florence and Como.

In the mid-1970s even the French had been forced to set up Première

Vision, then in Lyons, as an outlet for their fabric producers to compete with the Germans and Italians, but there was nothing in Britain even though many in the industry wanted a showcase, preferably all-British, for their goods.

Philbeach's decision to launch Fabrex in the spring of 1979, with the encouragement of the British Textile Corporation, was "a tremendous gamble" according to Miss Poore. "We were already organising the London Fashion Show, which had been going since the early 1970s, but we had no idea whether a predominantly fabric exhibition would succeed."

"However, our research encouraged us to go ahead and although we had to abandon our original plan to make it an all-British show we have certainly kept a balance which favours the home industry."

The 9th Fabrex tomorrow - the shows are held twice a year - has attracted 300 exhibitors, of which two-thirds are British - a proportion Miss Poore wants to see maintained. Some 8,000 buyers are expected from around the world.

This is small by comparison with Interstoff, which in its 20-year life has become a massive exhibition, attracting some 900 exhibitors and over 18,000 buyers.

Some British exhibitors, how-

ever, detect a falling-off in support for Interstoff, partly because of the success of Fabrex. Mr Edward Stannard, managing director of Salts of Saltaire, part of the Illingworth Morris group, is one of them. He says: "Initially it was questionable whether a home-based fair could become as significant as Interstoff but, within a couple of seasons, it was clear that Fabrex filled a considerable gap in the market."

"Fabrex is now an essential part of our sales strategy. We show at Première Vision and Interstoff as well, but Fabrex is by far the most useful in terms of orders. Interstoff is becoming less and less significant."

Part of the success of Fabrex has come through its weeding out of the smaller, weaker concerns which were among the original 100 exhibitors back in 1979 and which are still to be seen at some of the continental exhibitions.

Despite the recession, which hit Fabrex at the wrong time, just as it was being launched, the show has been helped by a trend for companies to exhibit more forcefully in their own home countries. This was always the case in Italy and Miss Poore sees it as an encouraging sign that it is also happening in Britain.

"British industry does not realise

how wealthy Britain is to sell into. Other countries recognise but one of our troubles is that Britain does not support its own industry sufficiently well."

"This is why our imports are coming in large measure from the highest cost countries such as Italy, the U.S., Germany and France. With more support from Britain, Fabrex, which gives priority to British companies, could in turn feed back into British industry."

One of the complaints that is heard is that the British effort is being dissipated through a duplication of shows. In particular, there is criticism that some of the woollen and worsted manufacturers have their own show.

British Wool Textiles at the Dorchester last week attracted 30 or so exhibitors to the club-like atmosphere generated within one of London's leading hotels.

It would seem sensible for the two to be combined, and unofficial approaches have been made to the National Wool Textile Export Corporation, which runs the Dorchester show from Bradford.

With the British Textile Corporation forecasting further redundancies in the industry as imports take an increasing share of the home market, the need is to offer a concerted approach to winning orders.

Leyland unveils fuel-saving system

By John Griffiths

LEYLAND VEHICLES' Advanced Technology Group will today unveil a new continuously variable transmission (CVT) capable of improving fuel consumption in buses by a claimed 30 per cent.

Although initial development work is being concentrated on buses, the commercial vehicles arm of BL sees a far wider potential for the system, including its use for trucks, railcars, construction vehicles, agricultural machinery and tracked and all-wheel drive vehicles for civil and military use. A CVT lacks the stepped gears of conventional manual or automatic transmissions.

After three years of intensive research work, and with financial backing from the Department of Industry, Leyland believes it has a lead of up to three years in commercial vehicle CVT development.

The second phase of the project - the addition of regenerative braking - is expected to be completed within a year.

Regenerative braking involves the storing of energy, normally wasted as heat under braking, in a flywheel, which is then used to reaccelerate the vehicle.

Sharp increase in consumer spending

BY JEREMY STONE

A SNAPSHOT of the UK economy in 1982 is provided by Government statistics just released, giving revised versions of output, incomes, profits and investments.

Real income for 1982 was about 1 per cent above its 1981 level, as measured by gross national disposable income at constant prices. The average measure of gross domestic product showed a continued gradual improvement in economic activity from the low point reached in mid-1981.

In the last quarter of 1982 this measure was more than 2 per cent

higher than in the third quarter of 1981.

Personal disposable income rose 7 per cent in 1982, but since consumer prices went up 8 per cent real personal disposable incomes fell about 1 per cent.

Consumer spending rose sharply in volume terms in the second half of 1982, running in the final quarter about 3 per cent above the average for the previous three years. This led to a fall in the ratio of savings to personal income to about 10% percent, nearly four percentage points lower than in 1980.

Earnings now rising faster than prices

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

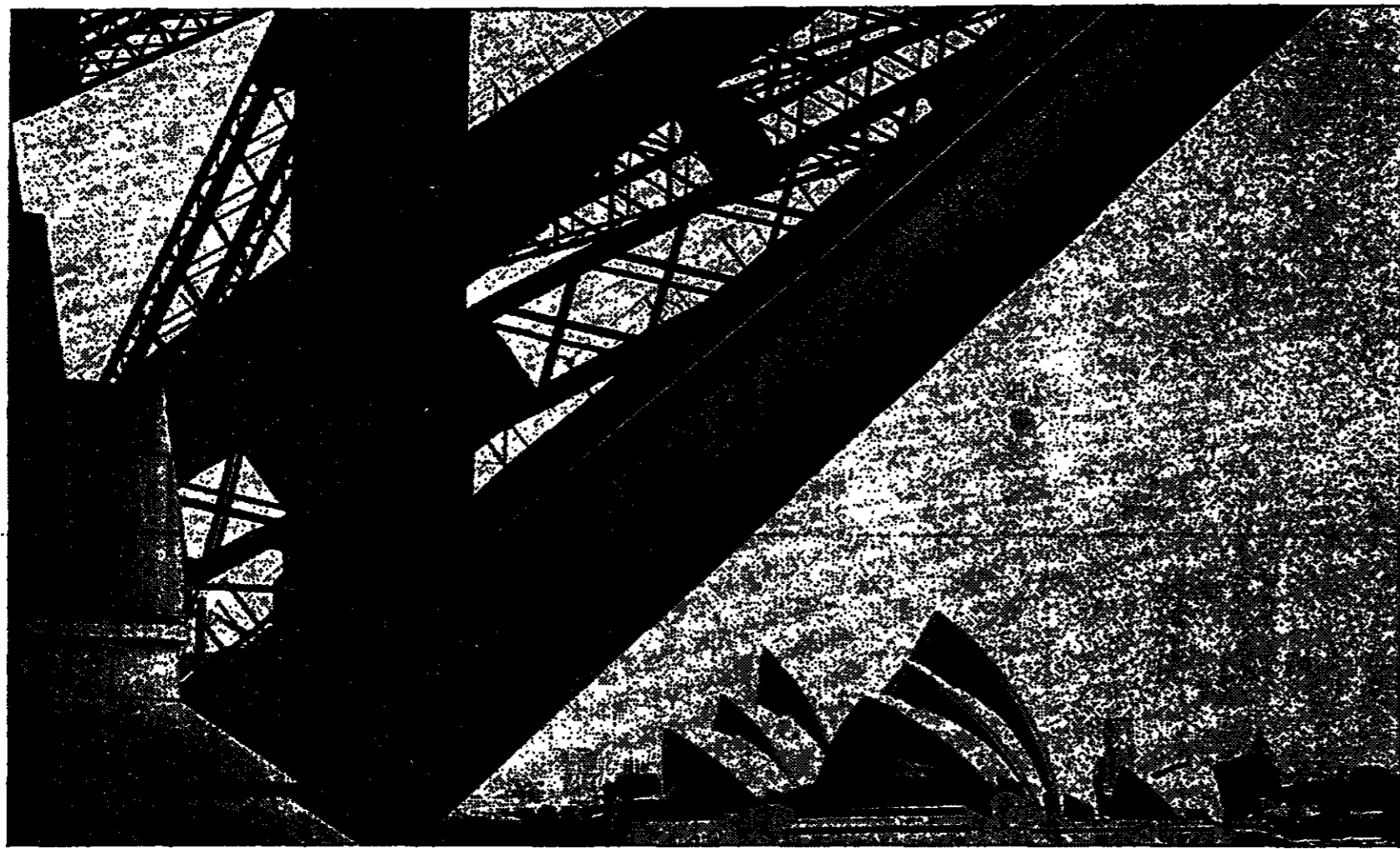
THE BRITISH economy is in a consumer-led recovery, with earnings rising faster than prices, a low savings ratio and minor personal tax cuts in the Budget, according to Mr Christopher Johnson, group economic adviser at Lloyd's Bank.

Mr Johnson, writing in the April issue of Lloyd's Bank Economic Bulletin, says that consumers are gaining from a windfall drop in the inflation rate at a time when their incomes are declining at a lesser rate.

Fixed investment is also contrib-

uting to the recovery, he adds. "There is a strong revival in private housebuilding, thanks to lower interest rates, and the public sector is being pushed, sometimes reluctantly, into spending more money on capital projects when it has got into the habit of saving it," writes Mr Johnson.

On inflation, Mr Johnson says the rate will rise this year because of the fall in sterling and because of the lack of an effective incomes policy.



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BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
April 6-8	Fashion Fabrex (01-581 7885)	Olympia
April 9-11	London Black Fashion and Beauty Fair (01-272 5185)	West Centre Hotel, W6
April 12-14	Coal Preparation Technology Associated with Cost Efficiency—Symposium and Exhibition (061-833 6541)	National Agricultural Centre, Kenilworth
April 18-22	International Fire, Security and Safety Exhibition and Conference (01-287 6060)	Olympia
April 19-20	All Electronics Show—ECIF (Essex) (0798 22815)	Barbican
April 19-21	2nd Exhibition of Numerical Engineering Equipment and Services (01-579 9411)	Wembley Conference Centre
April 19-21	Fibre Optics Exhibition and Conference (Essex) (0798 22815)	The Brewery, EC1
April 24-27	Incentive Marketing and Sales Promotion Exhibition (01-688 7788)	Brighton
April 24-27	Incentive Marketing and Sales Promotion Exhibition (01-688 7788)	Brighton
April 25-29	Packaging and Brewing Exhibitions—PAKEX and BREWEX (Solihull) (021 705 8707)	NEC Birmingham
April 26-28	Site Equipment Demonstration—SED 83 (01-904 9504)	Hatfield
April 28-29	International Land Reclamation Conference and Exhibition (Tunbridge Wells) (0882) 44027	Civic Hall, Essex
May 10-12	Riba Computer Conference and Exhibition (01-637 8891)	Bloomsbury-Crest Hotel

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
April 11-13	Air Cargo '83 (0727 63213)	Amsterdam
April 12-16	WIRE-TOKYO '83—International Wire Exhibition (0727 63213)	Tokyo
April 16-20	67th Swiss Industries Fair (061 26 20 20)	Basle
April 19-22	World Dredging Congress and Trade Exhibition (Bedford) (0243) 750422	Singapore
April 19-23	World Energy Exhibition and Congress (Dorset) (0202) 732646	Hamburg
April 24-26	Construction Indonesia '84 (01-456 1951)	Jakarta
April 25-29	International Technology Fair—TECHEX '83 (01-584 5749)	Lyons
May 6-10	2nd Exhibition of Systems, Components and Materials for the Industrialised Building Sector—SICOMAT '83 (01-456 1951)	Milan
May 7-10	Manila Apparel Market Week (01-248 0742)	Philippines
May 17-20	Technology/Inper Exposition (Pittsburgh) (412) 642 7559	Pittsburgh

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
April 5-6	Economist: Europe and Japan—prospects for interdependence (01-639 7000)	Tokyo
April 7	British Franchise Assoc: Expansion through franchising (Colnbrook) (964) 4908	Cafe Royal, W1
April 12	CB/IMS: Company Initiatives on unemployment (01-379 7400)	Centre Point, WC1
April 13-14	Energy Industries Council: Energy to the year 2000 (01-221 2043)	Brighton
April 13-15	Management Centre Europe: '83 International Tax Conference (219 03 90)	Brussels
April 14-June 2	FT Conference: FT City Course (01-621 1388)	Chartered Insurance Inst., EC2
April 15	ESC: Onshore oil exploration and production (Leics) (057 282) 2711	Selfridge Hotel, W1
April 20	Henley Centre: Budget: effects on Business (01-353 9961)	Im on the Park, W1
April 20-21	Numerical Engineering Society: Computer-aided engineering (01-579 9411)	Wembley Conference Centre
April 21-22	FT Conference: Venture capital (01-621 1385)	Caledonian Hotel, Edinburgh
April 21-22	Monadnock: Project financing (01-262 2732)	Press Centre, EC4
April 21-22	Riba: Effective professional marketing of architects' services (01-637 8891)	Britannia Hotel, Grosvenor Sq
April 26	Macfarlane: The united securities market—year three (01-637 7438)	Press Centre, EC4
April 27	Oyez IBC: ITV—the gathering storm. Where does television go from here? (01-236 4080)	British Academy of Television Arts, W1
April 27	Staniland Hall Associates: The UK economy 1983-4 (01-588 6064)	Centre Point, WC1
May 5-6	Monadnock: Successful joint ventures in Egypt (01-262 2732)	Press Centre, EC4
May 9-11	IRS: 10th Zurich international corporate finance conference (01-637 4383)	Zurich
May 10-12	RRG: International insurance conference (01-236 2175)	Jersey
May 17-20	Lloyd's: Ocean carriers' rights and liabilities (01-247 9461)	Royal Horseguards Hotel
May 17-20	EVAF: Business research for corporate development (01-637 1221)	Hamburg

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

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UK NEWS

NNC SEEKS NEW MARKET TO BEAT FUTURE CRISIS

Magnox export bid

BY A CORRESPONDENT

THE National Nuclear Corporation (NNC) is making efforts to export a smaller version of the Magnox power station.

The NNC faces a critical shortage of business in a few years time and is pinning most of its hopes on a go-ahead for the Sizewell B pressurised water reactor (PWR) and the eventual development of a commercial fast breeder reactor in Britain.

The Magnox unit has a proven track record and NNC believes it has better immediate potential for export than the advanced gas-cooled reactor, the domestic performance of which will not become clear until at least 1990.

NNC's only export of nuclear plant involved two Magnox stations of 200mw and 150mw sold to Italy and Japan more than 30 years ago. A British PWR would be a strong contender in the export market, but until at least one plant is built and expertise is proven the potential is small.

Meanwhile, NNC is trying to export a 300mw Magnox unit to countries where the economy cannot justify a bigger plant. Turkey is among those interested.

Previous experience has shown

that developing countries have difficulty raising the finance and NNC also faces competition from France and the Soviet Union.

A decision on Sizewell B is not expected for at least a year and NNC's managing director, Dr Ned Franklin, has told the public inquiry that one new nuclear plant order is needed every three years to maintain and improve expertise.

The recession has reduced expectations of orders for nuclear plants. Proof of expertise in at least one British PWR is a basic requirement of any export hopes, but the possibility of a complete plant being sold abroad depends largely on the go-ahead for a domestic programme of PWRs.

NNC knows British companies would not create specialist manufacturing equipment and facilities required for the coolant system, including the pressure vessel, without being assured of a domestic programme.

For Sizewell B the contract for the coolant system will go abroad with British companies involved only as fabricators. Other equipment and facilities will, however, be provided by British firms.

The prospect of a domestic programme of PWRs now looks unlikely in the foreseeable future. The Energy Department has stressed that future power stations will be ordered on a step-by-step basis.

In any case, NNC's wish to export a PWR package anywhere will be subject to Government approval in view of its ratification of the Nuclear Non-Proliferation Treaty.

The export of PWR technology available to NNC as a licensee to the Westinghouse Corporation of the U.S. is also subject to U.S. Government agreement.

NNC will be bitterly disappointed if Sizewell B is rejected or delayed indefinitely. Staff have contributed to water reactor design and technology in the past two decades, mainly through work on the ill-fated steam generating heavy water reactor.

NNC has had past experience of working with U.S. corporations and this influenced the decision in favour of the Westinghouse design.

Agreements have been made between NNC and Westinghouse, the Bechtel Corporation, the Standardised Nuclear Unit Power Plant System utilities and Nuclear Projects Inc in the U.S.

New sales of Boeing 757

By Michael Dorne

AIR EUROPE, the British independent airline, today becomes the third UK operator to take delivery of the new Boeing 757 twin-engine jet airliner.

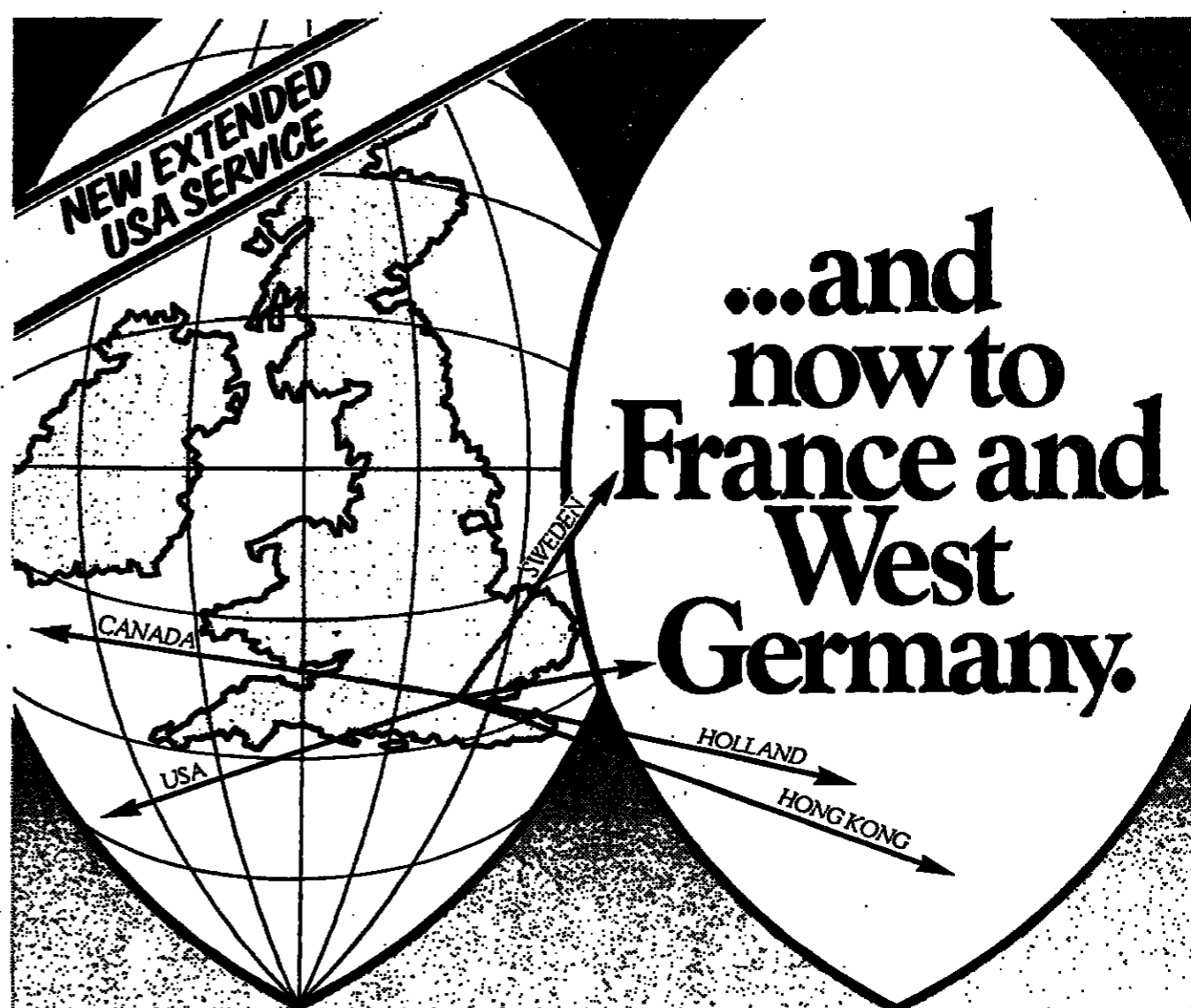
British Airways took delivery of the first of 17 of the new jets in February, while Monarch Airlines, an independent airline, took delivery of the first of three in March.

Air Europe will be operating two Boeing 757s this summer, one of them leased from British Airways. Its own second jet is due for delivery in March, next year. Air Europe is spending more than £40m on its two 757s.

The new aircraft are powered by Rolls-Royce RB-211-325C engines.

Air Europe, which is part of the Intermex Leisure Group, has been profitable since it was set up in 1978. So far, cumulative pre-tax profits earned by the airline amount to nearly £5m.

The airline will be flying its two 757s and its fleet of seven Boeing 737s on holiday routes from Gatwick and other UK points to nearly 30 European destinations.



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Congressman tries to stop steel deal

BY ALAN FORRESTER

U.S. CONGRESSMAN Peter Kostmayer met union leaders at a Scottish steelworks yesterday in an attempt to stop a transatlantic deal which he believes will cost too many jobs in both countries.

BSC chairman Mr Ian MacGregor's plan is that £1bn worth of steel from the threatened BSC plant at Ravenscraig, Lanarkshire, should be supplied to U.S. Steel for finishing at its Furles works in Pennsylvania. He believes that the long-term nature of the agreement would guarantee the future of steel-making at Ravenscraig until the end of the 1990s.

But Mr Kostmayer, a member of the powerful U.S. House and Foreign Affairs Committee, said after the meeting: "We are hoping we can scuttle the MacGregor deal in the U.S. and keep people working – in Furles and in Scotland."

Union leaders on both sides of the Atlantic fear that if the deal

goes through 2,000 jobs will be lost at Ravenscraig and between 2,000 and 3,000 at Furles. After yesterday's meeting at Ravenscraig, Mr Kostmayer said he was now confident the deal would not go ahead.

Mr Kostmayer said union leaders at Furles had recently signed a contract which would mean \$2,000 to \$3,000 less for their members, and in return U.S. Steel had agreed to avoid importing foreign steel.

He said he was puzzled why anyone would want to close Ravenscraig. "I wish we had a plant in Pennsylvania that was as modern."

He is hoping to meet Mrs Margaret Thatcher, the Prime Minister, and Mr Patrick Jenkin, the Industry Secretary, today before flying back to the U.S. The Government has already discussed the plan with Mr MacGregor and is concerned about getting U.S. assurances on firm commitment to a long-term deal.

Companies say UK should stay in EEC

BY ROBIN REEVES, WELSH CORRESPONDENT

HALF of Wales's North American-owned companies and all but one of its eight Japanese manufacturing plants foresee "adverse effects on their operations" if Britain withdrew from the EEC, according to a survey by the Development Corporation for Wales.

A questionnaire sent to 82 foreign-owned companies in Wales revealed that 49 per cent of Canadian and U.S. subsidiaries and seven of the eight Japanese subsidiaries believe EEC withdrawal will damage their UK operations. Wales has nearly 200 overseas companies employing some 55,000 workers – or more than the numbers employed in the Welsh steel and coal industries.

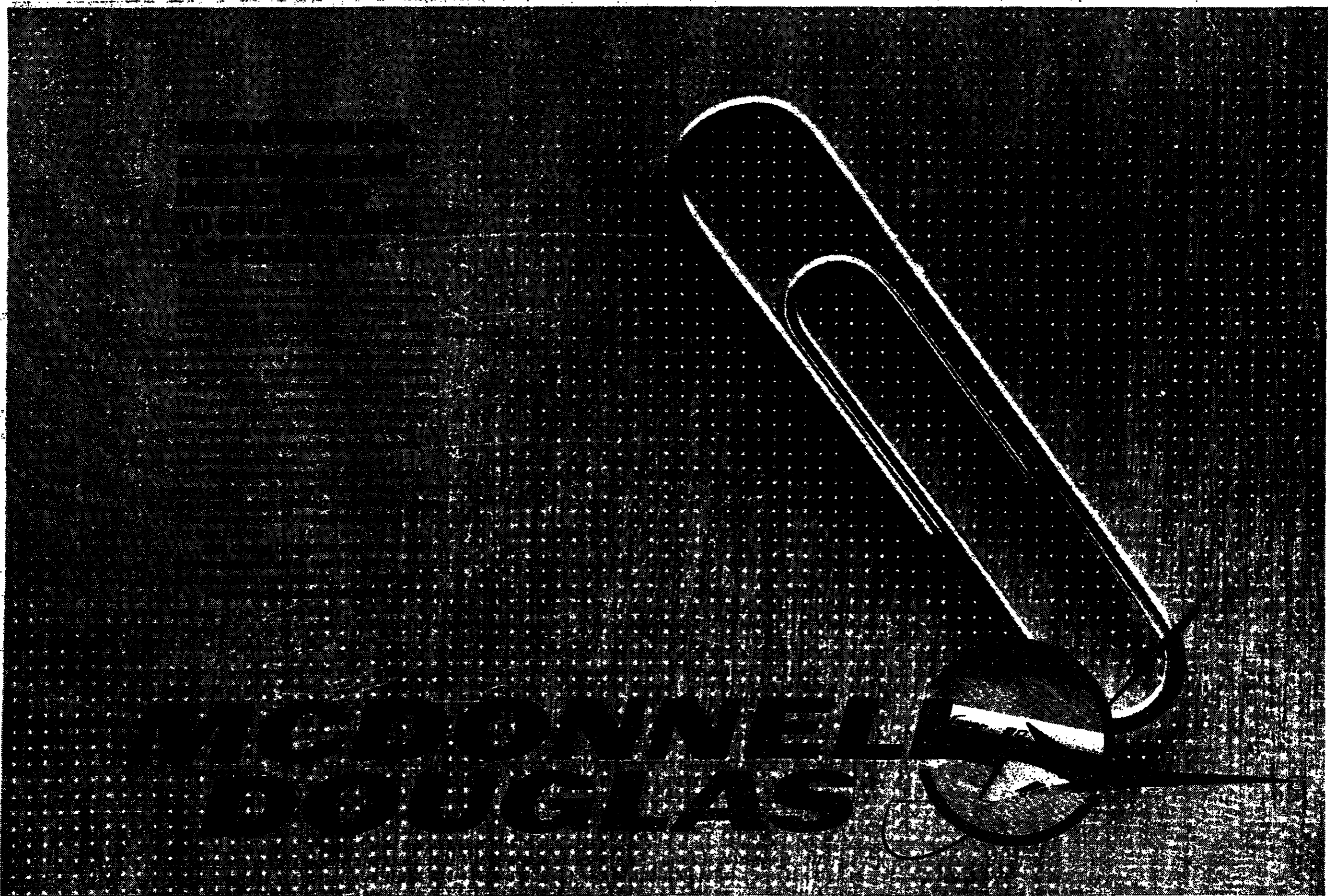
Some 60 per cent of the companies questioned said they were first attracted towards making their investment because of the opportunities or benefits stemming from the country's EEC membership, such as

the ability to sell into continental Europe without tariff, to receive where required raw materials from the continent without restriction, or in order to benefit from financial support from EEC sources.

Furthermore, 56 per cent of North American subsidiaries in Wales, 88 per cent of Japanese companies and 34 per cent of continental companies at present export a significant part of their production to EEC countries.

The survey found that 35 per cent of North American companies, 50 per cent of Japanese companies and 31 per cent of continental companies had taken advantage of loans from the European Investment Bank or the European Coal and Steel Community for setting up and/or expanding in Wales.

The survey was carried out as part of the Development Corporation's evidence to a House of Commons select committee



THE ARTS

Easter concerts/Barbican Hall

Dominic Gill

Elsewhere the City of London was as quiet as the grave, but the Barbican Centre itself was a festive hive of music over the Easter holidays. The theme (echoing similar past events in America and Australia) was "Mostly Mozart": concerts afternoons and evenings, supported by a lively day-long sequence of foyer events—ensembles, piano rolls, a vocal quartet, and even Mozart's musical dice-game arranged for computer. At daylight level a Café Mozart served whipped cream with everything. If numbers are a measure of success, the Barbican will be justly encouraged: nearly 1,500 people arrived to hear Alan Civil lead his ensemble of 200 horns on Saturday, and the hall for Christopher Hogwood's concert with the Academy of Ancient Music the following afternoon was gratifyingly well filled.

In the name of authenticity, Hogwood inserted a couple of concert arias between the minuet and finale of Mozart's Haffner symphony and also gave us permission to applaud after every movement, if we were so inclined. That was fair and amusing enough: but the real point, and authentic delight, of the performances was no more than their correct instrumental scale. To play the Haffner symphony with pairs of wind instruments only and no more than 18 strings is not, to be fair, the only way of performing it well; but to hear it so played can be to understand, as never before, the essential, so many full-orchestral performances are so hopelessly wrong. Conductors need the experience as badly as audiences: how

many performances do we hear, week after week, which have failed to grasp, or fail to communicate, the fundamental fact that Mozart's symphonies are chamber music gloriously amplified? The Academy's playing was patchy: if Hogwood could somehow ensure more consistency of personnel from concert to concert, ensemble would certainly improve. A handful of flutes is a small price to pay none the less for the joy of hearing Mozart—and likewise Beethoven's first symphony—pure and clean, with its woolly wrapping removed. Emma Kirkby, who gave "Voi avete un cor fedele" between movements, had a misfortune on her penultimate high note, but sang otherwise simply and affecting in tones refreshingly free from the painful excesses of modern-day operatic vibrato.

The Barbican's St Matthew Passion given on Good Friday by the English Chamber Orchestra and Pro Musica Chorus under Raymond Leppard was a sad disappointment. Ironically in the context of such an otherwise authentic weekend, Leppard's version was an uneasy compromise between a symphonic mass-choir production and a performance by the forces which Bach himself meticulously prescribes. The unassuming and unflashy practice of adding a harpsichord continuo for the Evangelist was followed. But qualities about style and performance practice are finally irrelevant. More important here, the solo singing was undistinguished, the choral singing was half-hearted, and Leppard's direction was mesmerisingly limp, all passion spent.

Tennstedt/Festival Hall

Dominic Gill

The London Philharmonic Orchestra's performance of Mahler's sixth symphony under Klaus Tennstedt last Thursday night was a brilliant tour de force, and in some ways one of the most exciting accounts of that work to be heard on the South Bank in many seasons. In one important respect, however, I thought it misconceived. Given that the best and most (harmonically as well as dramatically) consistent ordering of the movements of Mahler's Sixth places the scherzo second, a great part of the force and the sense of the symphony hinges on the relationship, between the two massive opening movements. The first, an *allegro energico* qualified by an all-important *ma non troppo*, demands shaping of the greatest flexibility, but must never escape from its relentless underpinning tread—more manic-maestoso than Mozartean *allegro*. Nor must it ever seem ponderous; but in its desire to achieve what the perceptive listener may not perceive, it demands shaping of the greatest flexibility, but must never escape from its relentless underpinning tread—more manic-maestoso than Mozartean *allegro*. Nor must it ever seem ponderous; but in its desire to achieve what the perceptive listener may not perceive, it demands shaping of the greatest flexibility, but must never escape from its relentless underpinning tread—more manic-maestoso than Mozartean *allegro*.

As soon as the scherzo begins, this is perceived as a serious dramatic error: the opening of the second movement becomes more than a repetitive extension of the first, uneasy and hyperbolic pendant, instead of the razor-edge ironical contrast, force up-tempo assurance, that we may be sure (if only to say musically, instinctively sure) Mahler intended. Although I have never heard an argument in its favour, this blunting of contrast is not an uncommon approach, and is chosen by some, though not all, of the

Wellington papers for Southampton University

Mr Paul Channon, Minister for the Arts, has allocated the papers of the First Duke of Wellington to Southampton University.

The Time of Your Life/The Other Place, Stratford

Antony Thornecroft



Daniel Massey, John Thaw and Zöe Wanamaker

The fantasy element in the characters and the flights of poetry from Saroyan make this an attractive piece if you can swallow the triteness. The illusion is supported by authentic props—the pinball machine and the juke box; the old beer bottles and the telephone directories. You want to believe it, all at least for a couple of hours and, of course, Kit Carson (John

Cater), the old cowboy who commands attention with opening lines like "Ever loved a minster weighing 30 lbs" at the end caps his tall stories with action.

Zöe Wanamaker as the whore, fighting to keep her illusions and Paul Greenwood as Tom who provides them, share the leading roles with Thaw and Massey, but this is RSC ensemble playing at its best from a large cast, moving confidently around Bob Crowley's set to Howard Davies' sympathetic direction. Lyrical and emotive, it hardly realises *The Time of Your Life* is a worthwhile revival, helped along by some restrained honky-tonk piano playing from Tony Scott.

Two Verdi openings

On paper, the latest Covent Garden Don Carlos series promised a venture of the highest importance. For the first time in London, an opera that Verdi composed to a French text and later revised to a French text was actually to be sung in its original language, not in a French translation which has for so long held the international opera stages.

No less significant, the version chosen was neither of the later forms (the four-act opera of 1883 and five-act of 1886) in which Don Carlos is now almost always encountered, but in large part Verdi's Paris original, including those celebrated passages, cut by the composer before the 1887 premiere, that Andrew Porter rediscovered in Paris in 1970. The *Don Carlos* is now new to Britain. Radio 3 gave it a splendid account in 1973, and the Chelsea Opera Group and English National Opera have at other times subjected various "Porter" and 1887 passages to the test of live performance. Thursday's Midland Bank Prom, which omitted the obligatory Paris ballet, was not quite an undoubted Paris revival, yet it would not be entirely inexact to claim for the occasion the fullest theatrical showing Verdi's great opera has yet had in any European opera house. But the fact of the evening, alas, was far from its promise—five hours of hardly-mitigated tedium spent watching the decrepitude of the noble Visconti staging and listening to a lacklustre orchestra, a deplorably ill-prepared chorus, and what on balance must be reckoned the weakest cast assembled by the Royal Opera in the production's 24-year lifespan. At the end of it, I felt that some very unwelcome points were in danger of being proved by the experience—that is to say, first find yourself six front-rank singers and an impassioned Verdi conductor, and then do *Don Carlos* in whatever edition and language you like. Out of disappointment, I exaggerate. The point of singing

Max Loppert reviews Don Carlos and The Force of Destiny which opened in London last week.

of his performance. But in Thomas Allen's *Don Carlos*, Robert Lloyd's Philip, and most strikingly in the Inquisitor of Josep Rouleau (threadbare of tone, but at his most commanding in his native tongue), there was shown to be the valuable raw material for some more vigorously and cogently produced French *Don Carlos* of the future.

And certainly, the Paris *Don Carlos* was worth hearing, even in this limp, fuzzy-edged emanation. Verdi was not wrong to revise his noblest operatic conception 16 years later. He wanted conviction, dramatic urgency: he made the 1883 *Don Carlos* swift-speaking, concentrated, where earlier it had been apt to expand grandly—it was a pity that the Royal Opera, opting for the later and shorter versions of the first Caspary-Posa duet and of the Act 4 finale, should have not subjected to a thorough examination Mr Porter's programme note assertion that the Paris *Don Carlos* "is coherent in musical style, in pacing, and in dramaticity" as its later forms are not.

The trouble, indeed, with the work in all its guises is that only the very highest standards of execution will suffice. On Thursday the best singing (apart from that of John Tomlinson and Jean Rigby in small

roles) came from Mr Allen and Mr Lloyd, but it remained mostly singing in a vacuum—in neither was there to be discerned an engagement with character and drama on a suitably large scale. Alone of the principals, Stefka Evtasteva as Elisabeth gave off any warmth; the top of the voice needs honing, and the whole role (not

prolapsed with chest voice. The calm, serious manner and bearing of Richard Van Allan's Father Superior almost does duty for a sonorous Verdian basso cantante. And yet, over and above its unequal component parts, this *Forza* lives as drama, which *Don Carlos* entirely failed to do. The reasons are quickly deduced. The ENO has a chorus involved in its work, not summanabuntly detached therefrom. As prima donna the ENO has a great singing actor in Josephine Barrow; after a couple of first scenes, her Leonora burst into flame, creating for the evening a focal point that held one intently even in her absence. And the ENO has imported a conductor, the young American John Mauceri (previously met in Wales and Scotland, making here his London debut) who is on this evidence a Verdian of quite startling stylistic mastery. The scoring glowed with colour; unlike the young Verdian lions of the day, Mr Mauceri is not afraid to be expansive in his phrasing, to broaden and linger, to let the vocal lines breathe. To the company's achievement he gives a splendid new impetus.

Regional theatre trainee director awards

Three young theatre directors who staged shows at last year's Edinburgh Festival have been awarded 1983 Regional Theatre Trainee director awards. They are Richard Henry Brandon (21) of Bristol, Mark Edward Brickman (22) of London SW19, and Jonathan Myerson (23) of London, SW7. Now in their 23rd year, the awards, administered by the Television Fund, carry two years' secondment as a trainee director at leading provisional theatres. They are worth £1,364 a year—the minimum Equity rate for an assistant stage manager.

Television/King Lear

Chris Dunkley

When Laurence Olivier raised his eyes to the "discordant spheres" in Sunday's TV production of *King Lear*, and implored quietly: "Oh let me not be mad, nor mad as the winds that blow about my ears," he produced a shiver of foreboding.

Here was Shakespeare's timeless understanding made flesh: the king from centuries before the playwright's time and the old actor from centuries after were momentarily one; in their terror of age descending into senility Lear and Olivier could not be separated. Such moments were, however, rarer than might have been hoped. Under Michael Elliott's direction this production reeked of the dark ages; no modern theory here about there being good and bad in everyone, or the culpable vacillation of the elderly. Goneril and Regan, as played by Dorothy Tutin and Diana Rigg, were simply evil, and Edmund's awareness of the stigma attached to his illegitimacy (conveyed with unusual intensity of Robert Lindsay) was more than ever central to the power plotting of the play. It is, surely, Shakespeare's greatest tragedy and one which seems to grow blacker as the outlook grows older.

Strengthening the dark and primitive spirit of his version, Elliott made life rude and barbarous, the people only a step up from Ancient Britons; the mighty rubbing shoulders with the humble, Lear accompanied by vast wolfhounds riding his horse into the hall, and a rough Brueghel-like intensity characterising communal life. In serious ways, then, and uncomfortable in sharp contrast to the outdoor daylight

scenes (Gloucester near Dover, Lear garlanding himself in flowers) which were almost garishly lit so that they in turn made the outdoor night scenes seem more sinister and forbidding. However tautological—poignant cello music. Stylistically this production stepped aside from the two most interesting Shakespearean strands developed by British television over the past 15 years: the ultra-realistic versions filmed on location and the far more abstract videotaped versions suspended in electronic limbo, notably Jon Scofield's Anthony and Cleopatra and Trevor Nunn's *Macbeth*. Elliott's *Lear* gave us realistic grass, trees, a river, a hill, a pool and a rainstorm in studio. Yet the aim never seemed to be for the true reality of television but for the artificial "fourth wall" realism of pre-war theatre. With the echoes in the studio floor of horses' hooves and falling bodies (for example) all playing a part in the unusual degree of identity between character and actor. Yet I suspect it would be more powerful and appealing as live theatre, and the best television version of the play is still Jonathan Miller's 1975 production with Michael Hordern as Lear.

Shirley Verrett/Barbican Centre

David Murray

Rewarding though it was, Miss Verrett's *Liederabend* with Geoffrey Parsons on Sunday proved to be a severely serious affair, despite the cheerful Schubert and Strauss in her programme (the rest was Brahms). She has a formidable singing voice, and committed intensity; but basic mezzo timbre is potentially dark, with less lustre in the soprano extension. She lightened her tone carefully for Strauss's "Fünfzehn Pfennige" and Brahms's "Vergebliches Ständchen," but the result was less characteristic and sharper than her other, sober studies.

In Brahms she was splendid. Many singers this year—the 150th since the composer's birth—have respectfully included his songs in their programmes; Miss Verrett was sympathetic, persuasive and searching beyond most of her colleagues. As word-setting, Brahms songs seem unremarkable: a mood is prompted by the general drift of the text, but rendered into formal-musical terms. Prudent singers generally aim for the tunes, therefore, and not at dramatic word-by-word sense. Miss Verrett was scrupulously communicative through the words, and it was pure gain for the authoritative cut of her phrasing and her unerring rhythmic sense let nothing in the music slip. She made one

feel a new admiration for the depth and variety of Brahms' songwriting: what better anniversary tribute could there be? In Schubert she was assured, cool, perhaps over-formal, "Seligkeit" and "An die Musik" were taken slowly, as was Gretchen's spinning wheel. The illusion of lyrical spontaneity was missed. Miss Verrett's Strauss group struck home better: a sustained, passionate "Zueignung," a rapt and moving "Wiegenlied" (magically sustained at the piano by Parsons), a noble "Mein Herrscher" with a hint of mawkishness. This singer rises grudgingly to challenges.

Danny La Rue in 'Hello Dolly!'

Danny La Rue is to star in his first stage musical next Christmas when he plays the title role in a West End revival of *Hello, Dolly!* It is thought to be the first time a man has played the female lead in a

London musical production. No theatre has been named yet for the show, estimated to be costing £750,000. Before the musical Danny La Rue undertakes a six-month tour with his new revue

Editor's Proof

Hundreds of newspapers and magazines in 35 countries are already using the Financial Times Syndication Service.

The FT Syndication Service provides publication of all sizes with access to the FT's worldwide news-gathering resources and unrivalled editorial expertise. As a subscriber, your publication could benefit in several ways. You could receive a constant flow of international and City news. You could reproduce news and feature material from the FT itself as well as using specially-prepared syndicated articles. To find out more, please contact our Syndication Manager, Dennis Kiley, at Bracken House, 10 Cannon Street, London, EC4A 3DF. United Kingdom. Tel: London 248,9000.

Arts Guide

Opera and Ballet

NEW YORK

Pilar Rieje: Internationally known flamenco dancer performs to the music of Bach, Corelli, Albinetti, Boccherini and the poems of Garcia Lorca. Gramercy Arts, 138 E. 23rd (869 2850).

Metropolitan Opera: Season's first performance of Parsifal conducted by James Levine with Tiziana Troyanos, Timothy Jenkins and Simon Estes, joins performances this week of *The Walküre*, *Il Barbiere di Siviglia* and *Il Trovatore* Opera House, Lincoln Center (500 9830).

WASHINGTON

A Riddle from Plato: Gian Carlo Menotti's opera which premiered a year ago to celebrate the Kennedy Center's 10th anniversary, becomes this year's keynote of an "Imagination Celebration." The itinerant programme for children goes from here to Tucson, Milwaukee and Seattle with the Menotti Opera and Ballet. Kennedy Center (254 9895).

PARIS

Maurice Bejart's XXth century ballet with Sylvain Cambiague as conductor. St. Martin des Champs, 25, rue de Valenciennes, 75004 Paris. Tel: 01 47 33 11 11.

London Festival Ballet performing Giselle with Natalia Makarova, Eva Evdokimova and Peter Schaufuss. T.M.P.-Chatelet (261 1063).

WEST GERMANY

Berlin Deutsche Oper: Parsifal has Martti Talvela and James King in the leading roles. Boris Godunov, a well done production by Rudolph Selmer, features Siegfried Wagner and Martti Talvela. A new production of the *Marx Wives of Windsor* with Alfred Kuhn (as Sir John Falstaff) and Maria Sharp (as Mrs. Falstaff). Lucia di Lammermoor and Der Wildschütz. (343 81).

Hamburg Staatsoper: Alexander Zemlin's last opera Der Kreidekreis, staged after a long and accessible rehearsal, is a great success. The new production by Herbert Wernicke is set not in China but in Germany in the early 1800s. Lohengrin is presented this week, produced by August Everding. It has Peter Hofmann in the title role. Carol Neblett triumphs as Amelie in Ein Maschenball. Fidelia has Elisabeth Balalay in the part of Leonore. (30 11 51).

Cologne Oper: Parsifal, produced by Jean-Pierre Fouché, has Peter Lindorff in the title role and Waldemar Meier, famous for her rendition of this part in Bayreuth as Kundry. Also this week: Die Maïe and Orpheus ed Euridice. (37 61).

LONDON

Royal Opera, Covent Garden: Don Carlos, a French Grand Opera at last given at Covent Garden in its original language, returns with a cast of newcomers to their roles, including Robert Lloyd and Thomas Allen and Bernard Haitink as conductor. (240 1066)

VIENNA

Staatsoper (3324/2655): Die Entführung aus dem Serail. Die Meister-singer aus Nürnberg. Parsifal. Volpker (3324/2657): Der Graf von Luxemburg. Die Entführung aus dem Serail. Das Feuerwerk.

April 1-7

F.T. CROSSWORD PUZZLE No. 5,138

ACROSS

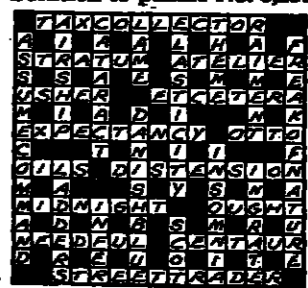
- 1 It tightens a nut in a cleaning machine (6)
- 4 Butcher's order for a composer (8)
- 9 Poor golfer perhaps, still gets down the hole (6)
- 10 Air force admiral? (6)
- 11 They represent us—amen! (6)
- 12 Set spot your boss has for you? (6)
- 13 One needs a very short time to get dry (6)
- 14 Not one on view (6)
- 17 Young crab? (7)
- 21 A book Kipling wrote on love—popular in Japan (6)
- 25 Social worker (3)
- 26 A cross-section of the church (8)
- 27 A disposition of arms (6)
- 28 Payments subject to approval (8)
- 29 Principles said to be found in manuscript form (6)
- 30 He'd put in a variety of clues in the time-table (6)
- 31 Ring again to cancel (6)

DOWN

- 1 Decoration for the brave perhaps (3-5)
- 2 Citizens taught in schools (8)
- 3 A compulsory turn-out (8)
- 5 Cloth worker? (6)
- 6 Mint that's still wrapped? (6)
- 7 Big racial issue? (6)
- 8 It limits the movement of stock (6)
- 12 A reptile makes an unusual present (7)
- 15 One point to the Italian, nothing to us (3)
- 16 Company that was floated to avoid liquidation (3)
- 18 An example of ill-humour? (4, 4)
- 19 You have to put up with him (4, 4)
- 20 The loss in fuel is gigantic (8)
- 22 Such a position in society is often symbolically expressed (6)
- 23 District that provides a capital start to the holiday (6)
- 24 Produced a publication and is taken to court (6)
- 25 How's that for charm? (6)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

Solution to puzzle No. 5,138



FINANCIAL TIMES

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Sierra 1.6 GL.

1600cc engine.
Laminated screen.
Front spoiler.
Lockable fuel cap.
Interior adjustable door mirror.
Heated rear window.
Intermittent wipe.
Auto wash/wipe.
Halogen lights.
Reversing lights.
Rear fog lamps.
Front head restraints.
Cloth upholstery.
Front seat belts.
Handbrake warning light.
Digital clock.
Trip recorder.
Panel light rheostat.
3-speed fan.
Cigar lighter.
27.9mpg (urban cycle).
44.8mpg (at a constant 56mph).
A Ford.



Santana 1.8 LX.

1800cc engine.
Laminated screen.
Front spoiler.
Lockable fuel cap.
Interior adjustable door mirror.
Heated rear window.
Intermittent wipe.
Auto wash/wipe.
Halogen lights.
Reversing lights.
Rear fog lamp.
Front head restraints.
Cloth upholstery.
Front seat belts.
Handbrake warning light.
Digital clock.
Trip recorder.
Panel light rheostat.
3-speed fan.
Cigar lighter.
33.2mpg (urban cycle).
51.4mpg (at a constant 56mph).
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Parking lights.
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Gearshift indicator.
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6 year anti-corrosion warranty.
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A Volkswagen.

Her Majesty's Inspectors of Taxes think they are exactly the same.

Happy New Tax Year 1983-4. Unhappily though, the taxable benefit rating on company cars is increased. Anything over 1800cc is now rated at an expensive £650. While anything between 1301cc and 1800cc is less taxing at £425. In theory then, the Ford Sierra 1.6GL and the Volkswagen Santana 1.8LX are in the same class. So much for theory.



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MATES

(ladies' fashion shops)

The business and assets of this well-known chain of ladies' fashion shops is offered for sale by the joint receivers.

The business has 22 branches operating from prime leasehold premises throughout England and Wales and sales from the branches were running at an annual rate of approximately £44 million.

Further information can be obtained from the Joint Receiver and Manager, C. T. E. Hayward, Peat, Marwick, Mitchell & Co.,

1 Puddle Dock, Blackfriars, London EC4V 3PD. Telephone: 01-236 8800. Telex: 8811541.

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Telephone: 0532-444741

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London EC4A 4BY

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PUBLIC NOTICES

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the SOCIETY will be held at 11.00 a.m. on Thursday, 27th April 1983 at 22, Abchurch Lane, London EC4A 3DF. The business to be transacted at the meeting is as follows:—

1. To receive and adopt the Report of the Directors and the Auditors for the year ended 31st March 1983.

2. To elect Directors for the year 1983-84.

3. To elect Auditors for the year 1983-84.

4. To consider and, if thought fit, to approve the proposed dividend for the year ended 31st March 1983.

5. To consider and, if thought fit, to approve the proposed dividend for the year ended 31st March 1982.

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In accordance with the terms and conditions of the Notes, notice is hereby given that the 10th Anniversary of the issue of the Notes will be celebrated on 10th April 1983. The Company will be holding a special meeting of the Board of Directors on that date to consider the issue of new capital notes.

SCANDINAVIAN BANK LIMITED
Financial Agent

FINANCIAL TIMES

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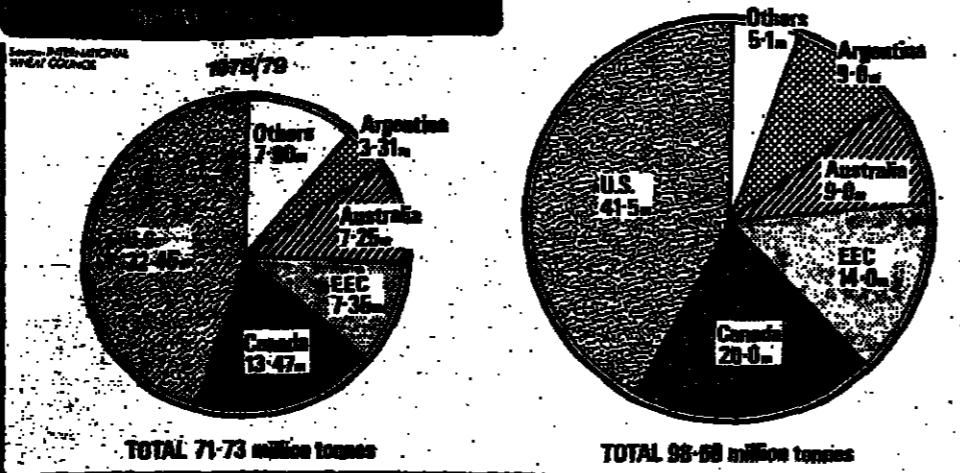
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AGRICULTURAL TRADE RELATIONS

Why the U.S. is holding its fire

By Richard Mooney

THE WORLD'S WHEAT EXPORTERS



TOTAL 71-73 million tonnes

TOTAL 58-60 million tonnes

Bob Hutchinson

A RISE in world grain prices late last month may have pulled the U.S. back from the brink of a bitter agricultural trade war with the EEC which could have been extremely damaging for both parties.

But while the price rises have eased the immediate threat to the incomes of American farmers, they do not appear to have reduced their fierce opposition to the EEC's policy of paying out heavy subsidies to make high-priced European farm produce competitive on world markets.

Egged on by the powerful farmers' lobby, U.S. politicians are maintaining a stream of free trade rhetoric against the EEC and demanding tougher action by the administration to force the Europeans to adopt a less disruptive approach to farm price support.

These subsidies are seen by American farmers as one of the main causes of a price slump on the world market which took their earnings last year to the lowest level in real terms since the great depression.

The recession, however, has helped bumper crops worldwide and the strength of the dollar also contributed to the income squeeze, but the farmers see the EEC subsidies as a factor which cannot be controlled.

The U.S. Government has responded with strong words but relatively little action. Recognising that as the world's biggest food exporter the U.S. would be the main sufferer in a price war, it has contented itself with a 1m tonnes subsidised sale of wheat flour to Egypt and an expansion in its programme offering cut-rate loans to importers of U.S. food.

Further measures are known to be under consideration, including a subsidised dairy products sale to Egypt and poultry sales in the Middle East. But at the moment these are only a modest escalation of the war.

The basic market problem is one of oversupply, though farmers prefer to see it as one of under-consumption. And they have a point. There is no doubt that the world's hungry would be happy to remove the excess from the market if only they had the money to do so.

While world recession has halted the slow growth in Third World consumption of food, farmers in the developed

countries have to a large extent been insulated from the effect of this on prices and have continued to maximise production. Nowhere has this been more so than in the EEC.

The EEC guarantees its growers prices which are 30 per cent above the U.S. level for wheat and 80 per cent higher for feed grains. The resulting surpluses are disposed of on the export markets with the aid of subsidies to bridge the large gap between EEC and world price levels. The size of the gap can be judged by comparing the current price of around £137 a tonne for UK-produced wheat on the London futures market with the \$90 a tonne received for higher quality U.S. wheat on the Chicago market.

This system has been in operation for some time, but its impact on the world market has grown with the sharp rise in EEC production in recent years. EEC export sales of wheat in 1982-83 are estimated at around 14m tonnes, nearly double the 1978-79 level.

World market shares have inevitably been affected—this EEC's is up from 10.3 per cent in 1978-79 to 14.2 per cent while the U.S.'s has fallen from 45.2 per cent to 42.1 per cent—but the Americans' main concern is the effect on prices which last autumn fell to the lowest levels since early in 1979.

American critics attack the EEC price support regimes on two main fronts. Excessive prices, they say, encourage farmers to maximise production

irrespective of the state of the market while at the same time discouraging consumption within the Community.

Disquiet is not confined to the western side of the Atlantic. It is after all, European consumers who have to pay the inflated prices and provide the tax revenue to subsidise the exports. EEC consumer groups have been campaigning almost since the formation of the Community for greater restraint in the setting of guarantee prices and for surplus production to be used for the benefit of those who have paid for it.

The implications for world trade have also been causing concern to the Community. In 1980 the House of Lords select committee on the European Communities said: "Disposal of existing surpluses should not be governed by budgetary constraints but take into account the interest of other exporters and the Community's GATT obligations not to use export subsidies to take an inequitable share of world markets."

The EEC's defence on this question was recently spelled out by Mr Klaus Bustrup, Denmark's representative to the EEC Committee of Agricultural Organisations (COFA). He said that statistical evidence did not show a bigger increase in Common Market exports of farm products than U.S. products.

For example, between 1974 and 1981 the Community had expanded its share of the world flour market to 62 per cent from 55 per cent while the U.S. share had gone up from 18 to 25 per cent, he said.

Another oft-quoted defence is that American farmers are more heavily subsidised. This argument, based on an EEC Commission calculation that U.S. farm subsidies average \$7,330 per farmer against \$4,780 in the EEC, is spurious as it ignores the fact that the average U.S. farm is ten times bigger than the average EEC farm.

More to the point are figures quoted recently by Mr John Block, the U.S. Agriculture Secretary, showing that the EEC's agricultural budget is \$30bn-\$40bn a year while the U.S., which is a much bigger producer, spends \$18bn.

Since the Egyptian wheat flour sale, the U.S. has held back from actual subsidisation of exports and limited itself to a series of export deals under its new blended credit programme.

This combines commercial export credit guarantees and direct interest-free credit into a single loan package to produce an interest rate below prevailing commercial levels. After spending \$500m on the scheme, Congress authorised a further tranche of \$1.25bn on January 11.

This cautious approach has angered many U.S. farm groups. "We would like to see more markets targeted for action as was Egypt for wheat flour," said Mr Robert Delano, president of the U.S. Farm Bureau.

The flour sale embarrassed

the Community and seriously angered the French, who were by far the biggest sufferers.

The Community cannot afford to be complacent. Its CAP expenditure, already forecast to run \$400m or 12 per cent over budget in the first four months of this year, could soar if the U.S. pushed prices lower. The EEC Commission estimates that a 10 per cent cut in world prices would cost the Community an extra \$700m in export subsidies.

The recent rise in grain prices came as a relief to the Commission, for it will reduce its subsidy costs. It will also help U.S. farmers, but has done little to reduce American inflation with the EEC. Since the increase is the direct result of a U.S. policy aimed at cutting crop production—the revolutionary payment-in-kind programme.

Under this, farmers agreed to take land out of production in return for cash payments and commodities from government stocks almost equal to the yields they could have expected from the land. The subsidies were much higher than had been predicted—\$2.3m hectares, or 36 per cent of all land covered by the programme. In the week after the acceptance rate was announced, the Chicago maize price rose 22 cents to 313.6 cents a bushel and the wheat price 13 cents to 359 cents.

So far the search for a U.S.-EEC agreement has been left to agriculture and trade ministers and officials, but there is a growing feeling that talks at a higher level will be needed.

Mr Michel Fribourg, president of Continental Grain Company, said recently he believed a settlement would only be possible when the heads of government on both sides, with the help of Foreign Ministers, recognised the need for a political solution.

This, he thought, might involve a gradual reduction over at least five years in the gap between their respective agricultural support prices: "It would be politically unrealistic and unrealistic to require the EEC a lasting solution to its mammoth problem in any shorter period."

EEC leaders will be hoping that this sort of advice will weigh heavier with the U.S. administration than the warlike demands of the farmers' lobby.

International Monetary Reform

The case for fixed exchange rates

By Otto Hieronymi

TODAY, FOR the first time in 10 years, there is a serious opportunity to start to rebuild a stable international monetary system, incorporating a fixed-exchange-rate standard.

Firstly, the world has come close to the end of a full inflationary/deflationary cycle. There is growing recognition that international monetary instability is not simply an expression of domestic conditions, but an autonomous source of uncertainty, and thus of reduced investment, of unemployment, stagnation and slower economic growth. Additionally, it has become clear that the UK and the U.S. appear at the top of the list of the victims of the flexible-exchange-rate system.

While the persistent undervaluation of the U.S. dollar and of the pound has been both a cause and an effect of the high inflation rates in the U.S. and Britain in the 1970s, the subsequent overshooting of these currencies in the foreign exchange markets was a major factor responsible for the depth and length of the current recession.

At present, conventional wisdom is still on the side of flexible exchange rates. The supporters of the system fall into two distinct groups: the more believers, who argue that flexible rates are intrinsically superior, and the sceptics who believe that the world has become too nationalistic, and politicians and bankers too shortsighted, to attempt to rebuild a stable international monetary system.

The record of floating can be summed up briefly. First, exchange rates have proved to be not only occasionally, but intrinsically unstable. Thus, flexible rates have been the single most important factor responsible for the unprecedented volatility of relative prices—both domestic and international—including the extent of the two oil-price explosions.

This has put a premium on short-term speculative assets, discouraged long-term investment and has generated defensive behaviour by producers and consumers. The huge, erratic changes in net asset/debt positions also exert a

strong depressive impact on world economic activity; thus, the contractive impact of the recent large revaluation of dollar-denominated debts is not being offset by increased spending by holders of dollar assets, in the U.S. or abroad. External imbalances have also increased as a result of speculative capital movements.

Floating exchange rates have, in addition, failed to secure the customary autonomy of domestic policies. Correcting domestic disequilibria has become more onerous than under the earlier sharing of the burden of balance-of-payments adjustment. As a result, and contrary to the views of the IMF and GATT, floating has not been an effective substitute for protectionism; rather, flexible rates, through their impact on uncertainty and on the price mechanism, and hence on spending, investments, employment and growth, have become over the years the principal source of protectionism.

Since the war, international economic integration has been the single most important factor responsible for economic growth: though increased trade,

"crawling peg." The proposed reform does not require a world government or central bank. It does, however, call for a spirit of co-operation and interdependence. The Bank for International Settlements in Basle appears to be a much more appropriate forum for such co-operation than the present-day IMF.

So far, the principal stumbling blocks to a return of fixed exchange rates have not been economic but political factors, especially the nationalistic attitude of the leading governments: the U.S. and Britain, on the one hand, and, for other reasons, Germany, Japan and Switzerland, on the other.

Thus the preconditions for a return to fixed exchange rates are not mainly technical, but political: the recognition by the principal trading nations that international monetary stability is not an abstract principle, but is in the enlightened self-interest of every single one of them; the admission that in the long run it is self-defeating to seek stability in terms of prices and employment, in isolation; the realisation that external shocks such as a new oil-price crisis, or large-scale defaults by debtors, can be avoided only in a stable monetary system; a consensus that fixed exchange rates are even more important for the large leading economies like the U.S., Germany, Japan or Britain, than for small ones like Switzerland.

Is there hope then? Politics is the art of learning and Western Governments and central banks may be coming closer, at last, to realising that the long-term losses under the present systems, in terms of profits, investments, employment and growth, far outweigh the costs of discipline under fixed exchange rates, as well as the benefits of alleged monetary independence.

Should governments act on this insight, it would not be the first time in recent history that the economics profession (which today is still largely committed to the doctrine of flexibility) would be left behind by the trend of events.

The author is head of the programme of research and forecasting at the Battelle research centre in the Geneva.

Letters to the Editor

Parliament and the Revenue

From G. R. Pinto

Sir,—When Mr Wiggins welcomed March 18th in his proposal to the Revenue does not enforce legislation in manner contrary to the intention stated by Ministers to Parliament, he asked for views on whether the courts should have the right to consult Hansard in aid to statutory construction.

This need can arise in two ways: the legislation may be clear, but not have the intended effect, or it may be genuinely ambiguous. In the former case, it would not seem acceptable to require the courts to declare that a statute had a meaning contrary to the way in which it would have been construed judicially, in the latter case, I understand that the courts are already accustomed to interpreting ambiguities in favour of the taxpayer, although this principle may no longer be applied to artificial tax avoidance schemes covered by the *Ramsay* line of cases.

I therefore prefer my proposals under which the Revenue would be stopped, until parliament approved otherwise, from taking any action to im-

pose any more onerous interpretation than that intended. However, even this solution could give rise to the courts having to consult Hansard in certain circumstances, which should be comparatively rare: (1) there might be a genuine doubt as to whether a ministerial statement had been sufficiently clear and complete for the estoppel to apply, or (2) the taxpayer might be advancing the defence of estoppel because (a) the Revenue had failed to honour ministerial statement of intentions or (b) the taxpayer was, without justification, trying in this way to delay payment of tax (which would, however, bear interest if the assessment were confirmed).

The determination of any such question should be left to the courts since, under my proposals, the result would decide whether the interpretation applied from the effective date of the statute (if the Revenue was asked to correct the statute (if the taxpayer won)).

G. R. Pinto,
7, Lennox Gardens Mews, SW1.

What to do about sterling

From Mr W. Grey

Sir,—According to Professor Alan Budd ("What to do about sterling," March 29), the answer to the question of whether price stability is best achieved by pursuing an exchange rate or a money supply target broadly depends on "where the shocks come from." But this raises more fundamental questions. How exactly do you fix a money supply target? How exactly do you fix an exchange rate? And is price stability the only thing that matters anyway? Failing an answer to those questions, talk about "sound" money and about monetary policy being "on course" is surely meaningless.

For example, we are told "in retrospect," 1980 saw "a massive internal shock which led, faster than a large shift in the demand for money," followed by "considerable overshooting" of the money supply targets. Clearly, if, despite such changes in velocity being both notoriously hard to predict and not immediately apparent, the right money supply targets had been set in the first place, it cannot also have been right subsequently to over-shoot them. More to the point, the wisdom of a given monetary (and, for that matter, fiscal) policy can be judged only in the light of other criteria—the exchange rate included.

Again, we are this time forewarned, were the Government now, in response to the external shock administered by the fall in oil prices, to switch to an exchange rate target, "it would have to tighten monetary policy to bring inflation rate down to the level of the rest of the world." So it would, but only by comparison with what would occur otherwise. In fact, regardless of whether present monetary policy was tight enough or not, failure to adopt an exchange rate target, and thus internally act to stop the pound falling further, would itself run counter to the Government's anti-inflationary strategy.

Professor Budd was, of course, quite right to insist that no simple rule meets every case. But the implication that money supply and exchange rate targets are alternatives to be preferred at different times, should be resisted no less than any inference that price stability, however desirable, is the sole test of economic virtue.

W. Grey,
12, Arden Road,
Finchley, N3.

Investment in pharmaceuticals

From Mr A. C. Askwith

Sir,—I was interested and amused by the manner in which you reported the intended intervention by Government in the pharmaceutical industry's return on capital employed (March 28). You referred to a 35 per cent rate of return on capital employed and stated that this compared with an average 4 and 5 per cent for British industry.

The apparent criticism by your correspondent of one of the few successful industries in the UK contrasts with the exhortation from the media, Government and other voyeurs that what British industry needs is greater capital investment and greater investment in R and D and new technology. To which industries are these remarks addressed? Those, by inference, well behaved industries which return only 4 and 5 per cent on capital employed and again by inference are not expected to keep the UK as a major producer of their products since it is that aim which the article acknowledges is behind the need for the 35 per cent rate of return. There appears to be a puzzling contradiction, surprising in a newspaper otherwise well in step with industrial needs.

I am concerned at what appears to be a deep-rooted objection to providing a return on capital which reflects the need to invest in innovation and to take risks.

A. C. Askwith,
New Product Management Group,
PO Box 22,
65 Lincoln's Inn Fields, WC2.

Rates versus sales tax

From Mr Desmond Goch

Sir,—I read with dismay your report (March 28) that despite the findings of a Cabinet Committee report, the Prime Minister intends to pursue the idea of replacing rates with a local sales tax.

The present rating system has many defects—not least because of multi-occupations of some domestic premises—but the creation of a local sales tax system would seem to open the way to a host of new opportunities for avoidance and evasion and one does not need to have a very vivid imagination to envisage the cost implications of the raft of bureaucratic overheads that would be created—and then have to be paid for.

The real problem behind local rates has, until the past year or so, been the lack of firm central government control

over manpower costs—and not least at county level where the spenders are to some extent insulated from the electoral consequences of their decisions by the district and borough councils who have to incorporate the collection of county revenue in their own rate demands.

Having achieved some success in the current round of rating decisions, the Government ought not to be deflected from its real task by notions of tinkering with the method of raising levies. It matters very little which of our pockets the money is withdrawn from but we are concerned that the total amount extracted is kept to the minimum and then spent wisely.

Having said that, however, there seems to be some merit in the proposal to fund educational salaries and related costs from central government.

Desmond Goch,
4, Paddock Wood,
Harpenden, Herts.

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Inquiry on Indonesia devaluation

BY RICHARD COWPER IN JAKARTA

INDONESIA'S central bank, Bank Indonesia, has agreed to set up a special committee to investigate complaints made by several of the country's foreign exchange banks that they made substantial losses because of the manner in which last week's 27.5 per cent devaluation was handled by the country's monetary authorities.

The devaluation was announced by Professor Ali Wardhana, the Economy Minister, last Wednesday at 11.30am in the middle of the trading day and became effective from the moment it was made public.

But according to several of the 27 or so banks licensed to deal in foreign exchange, their early morning requests to buy dollars from the central bank were turned down, leaving several of them extremely exposed.

A number of bankers believe that Wednesday's trading in foreign exchange was one of the heaviest ever

in Indonesia as speculation that a devaluation would soon take place reached fever pitch.

The foreign exchange banks are believed to have put in requests to Bank Indonesia for purchases of well over \$150m early on Wednesday morning.

Few bankers believed that an announcement would become effective in the middle of a working day, much less that Bank Indonesia would not honour the rate that it had officially set at 9am that morning.

The result was that many of the less cautious banks continued to sell foreign currency to customers until they found out that an announcement had been made. Several bankers estimate total losses at more than \$10m.

Indonesian Government officials deny that those banks which put in their request before 11.30am were refused dollars at the old rate. They

also deny that intense speculation forced the authorities to announce the devaluation before they were ready.

According to one official "tens of millions of dollars were sold to the banks on Wednesday morning" and "we had planned the devaluation for some time; it was not a last minute decision at all."

A number of bankers, however, are upset, not to say angry. According to one banker: "It was highly unusual to announce a devaluation in the middle of banking hours, but for Bank Indonesia to fail to meet its obligations by honouring the official rate it had set at 9am is unacceptable."

"We were convinced that our demand for dollars would be met and we acted on that basis. The whole affair was very poorly handled."

Recognition that some problems did exist came at the end of last week when bankers met Finance

Minister Rudianto Prawiro and central bank Governor Arifin M Siregar.

Mr Arifin agreed to set up a special committee to look into complaints and sort out what he referred to as "the transitional problems that are bound to occur."

At the same meeting, Mr Rudianto Prawiro indicated that in March alone, Bank Indonesia had sold as much as \$1bn of foreign currency, though he did not make it clear whether this had all left the country.

This could well mean that Indonesia's official foreign reserves are now down to less than \$5bn, about two months of non-oil imports.

The last publicly quoted figure was \$3.35bn given on March 10. Twelve months ago, Indonesia's official reserves were \$6.55bn and covered almost five months of non-oil imports.

Sandinistas claim to destroy rebel units in north

By Tim Coons, recently in Nuevo Segovia, Nicaragua

NICARAGUAN army officers claim that two columns of the "counter-revolutionary" forces that entered the northern department of Nuevo Segovia from Honduras in February have been virtually wiped out.

The head of military operations in the region said in an interview that 100 of the 600-strong rebel forces had been killed and a similar number wounded. The remainder of the force had split up and were being hunted down, he said, while about 100 were believed to have made good their escape back into Honduras.

On the evidence of a two-day trip through the province of Nuevo Segovia, the ruling Sandinistas appeared to be in full control of the military situation there, while claims by the counter-revolutionaries that they had taken key towns and controlled segments of territory in the area have been grossly exaggerated.

No military posts or towns showed any signs of having been attacked, and the morale of the Sandinista army forces and militias was clearly high.

It appears that the right-wing guerrilla forces have concentrated on mounting ambushes along lonely roads and attacking isolated outposts.

The Sandinistas are not giving figures for the number of troops it is deploying in the region, but it appears that as many as four or five battalions - perhaps 4,500 soldiers - are defending the province.

Meanwhile, a high-level meeting was due to take place last night in the southern Nicaraguan town of San Juan del Sur between Nicaraguan and Costa Rican Government officials, in a bid to iron out differences between the two countries.

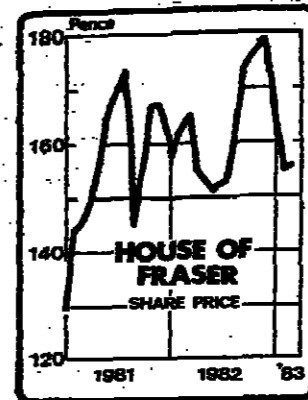
The Sandinistas have been complaining bitterly about the infiltration of counter-revolutionary forces across the San Juan River which divides Costa Rica from Nicaragua. A leader of the Costa Rican rebel UDN-FARN recently claimed in an interview that his group had been moving troops into Nicaragua from Costa Rica for the past eight months.

The Costa Ricans for their part have complained of Nicaraguan harassment of travellers along the San Juan.

Rebel forces were fighting Government troops near the Honduran border on Sunday, civilian sources there said. But the military denied any new fighting was taking place. AP reports from Managua.

THE LEX COLUMN

Taking exception below the line



separately from continuing businesses.

Yet, while this treatment might eliminate some elements of ambiguity, it would not necessarily present a truer or fairer view of a company's affairs. Whatever happens, a wide measure of discretion will have to be left to the auditors. It is not possible to legislate on whether the disposal of a factory in Brazil or a shop in Oxford Street is, by definition, exceptional or extraordinary.

But, over the past few years, auditors have often failed to exercise that discretion and, when in fundamental disagreement with management, to qualify accounts. In the last analysis, it is up to them to insist on greater disclosure and disaggregation of both extraordinary and exceptional items while taking a tougher line with companies over the appropriate treatment.

House of Fraser

The report submitted to House of Fraser's directors on the Harrods demerger proposal might as well have been written on a postcard for all the chances it had of reconciling the two opposed parties on the board. By stretching to two weighty tomes, however, the report has magically yielded up one out of two sides against the demerger and another in favour of it, with simple facts and figures to please both sides. After last Thursday's majority vote to recommend no action, shareholders will now be regaled with the conflicting summary arguments ahead of next month's extraordinary general meeting - with some additional arguments brought to bear, perhaps, on the major institutional investors involved.

Shareholders will be asked to approve the recommendation via a composite resolution also expressing confidence in the board. This does not exactly concur with last November's requirement of the board that it should simply provide for a demerger or else explain its objections. But the confidence wording only makes explicit that is anyway implied in the rest of the resolution: the board was asked to make its own decision and best damn so, submitting this decision almost as a technicality for ratification by the shareholders. It is hard to see how the present board could remain in place were the resolution to be rejected, and it seems as well to have this openly acknowledged by the wording.

Morley comes to the Stock Exchange

By Dominic Lawson in London

ONE OF Britain's most glamorous companies will shortly be making its Stock Exchange debut, with the decision of Mr Eric Morley that his Miss World Group should join the Unlisted Securities Market.

On April 14, 810,000 shares in the company will be placed by stockbrokers Schavieren at 80p each, valuing the whole company at £117m. Mr Morley said yesterday "the whole object of the exercise is to pay off a £480,000 loan. Then Miss World will start life as a quoted company debt-free."

Details of the move revealed in the Financial Times two months ago, were announced by Mr Morley over Easter.

The Miss World competition, founded in 1951 by Mr Morley, was for many years part of Mecca.

After several changes of ownership, Miss World became part of Belhaven, the Scottish brewing and leisure company chaired by Mr Morley. Last December Mr Morley and his wife Julia exercised an option to purchase Miss World from Belhaven.

Miss World Group is essentially a marketing operation, gaining its profits from advertising and endorsements connected chiefly with the winner of the annual competition. Mr Morley said yesterday "our income from television contracts is assured for the next three years, barring a world war."

In 1981 the company made profits of about £50,000, and in 1982 made £150,000. This year the company forecasts that it will reach £300,000 pre-tax.

Following the share issue, Mr and Mrs Morley will hold about 51 per cent of the equity, and Mr Morley insisted yesterday "we are not selling any shares as part of the issue."

Stockbrokers to the share placing are Schavieren. The rest of the financial arrangements will be handled by the Industrial Finance and Investment Corporation (IFICO), which itself arrived on the Unlisted Securities Market last November since when its shares have almost doubled in value. Mr Christopher Norland, chief executive of IFICO, is to join the board of Miss World.

The Miss World stock market debut has been compared with that of Miss Debbie Moore's Pineapple Dance Studios, which made a spectacular entrance on the USM last year. Its shares were placed at 50p, and within months had tripled in value. But yesterday Mr Morley insisted that the companies were not at all comparable.

Arafat sees 'no merit' in Reagan proposals

BY PATRICK COCKBURN

LEADERS of the Palestine Liberation Organisation (PLO) met yesterday in Jordan for critical talks which could affect the fate of President Reagan's Middle East peace plan.

Mr Yasser Arafat, chairman of the PLO, had two days of talks with King Hussein of Jordan over the weekend on the question of Jordan starting talks with Israel.

Diplomats, however, are pessimistic about the possibility of the PLO giving King Hussein a mandate to negotiate on its behalf.

The U.S. has proved unable to persuade Israel to withdraw from Lebanon or to freeze its settlement programme on the West Bank, both of which King Hussein laid down as preconditions for his joining the talks.

Mr Arafat said over the weekend that he saw no merit in the Reagan proposals - calling for autonomy for the West Bank and Gaza in association with Jordan - but he did not completely reject them.

He is also anxious to maintain good relations with Jordan and not to close the door completely on any other peace initiative by Washington.

The PLO and King Hussein may produce their own peace formula which would combine elements of the Reagan plan and the scheme produced by the Arab states at Fez last year. The Fez summit demanded an independent Palestinian state in the area.

Washington also denied the PLO a place at the negotiating table and wanted King Hussein to represent the Palestinians.

After yesterday's talks by the 15-member PLO executive committee there may be further talks between King Hussein and Mr Arafat, but the shape of any new peace formula is not clear.

When it does emerge it will probably have to be ratified by another meeting of the 22-member Arab League, apart from Egypt, which is

to meet in Morocco in the middle of the month.

Both Arab and Israeli leaders believe that Washington's capacity to put pressure on Israel to make concessions will diminish once the U.S. presidential race gets underway.

This makes it unlikely that either King Hussein or the PLO will take any political risks in trying to get talks started, since neither believe that the Israelis are prepared to freeze their settlement programme.

Our Foreign Staff writes: Mr Francis Pym, the Foreign Secretary, will visit Saudi Arabia next weekend on a trip that was cancelled by Riyadh earlier this year in retaliation for Britain's refusal to receive a member of the PLO as part of an Arab League delegation.

The row was resolved last month when a Palestinian academic acceptable to both sides was included in the team, headed by King Hussein of Jordan, which was given red carpet treatment in London.

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Commodities chief in Hong Kong to fight suspension

BY ROBERT COTTRELL IN HONG KONG

MR PETER SCALES, chairman of the Hong Kong Commodity Exchange and one of the colony's leading financial figures, has lost his registration as a dealer and investment adviser in securities.

The registration was revoked in an order by Mr Robert Peel, Securities Commissioner, who has also suspended until the end of the current year the registration of Mrs May Wu Scales, Mr Scales' wife.

Mr Scales says he plans to contest Mr Peel's action, which relates to alleged misconduct in a brokerage firm called Wustock Brokers, whose directors and shareholders are Mr and Mrs Scales. No reference was made to Mr Scales' commodity-related activities.

A statement released by the Securities Commission last week said that Wustock passed a client's securities to a third party without adequate safeguards. Mr Scales declined to discuss details of the affair because of legal action he is pursuing against a former associate.

Mr Scales acknowledged, however, that he did sell some shares held on behalf of clients late last year, when the Hong Kong stock market was nervous and depressed. He did that, he said, to protect clients' interests.

The transaction, the details of which are not clear, involved an inter-accounting arrangement with a company called Kaifu Company which enjoyed a temporary association

with Wustock on a trial basis, between October 1982 and January 1983. Mr Scales is now taking civil action against Kaifu.

Mr Peel's office said in its statement that customer agreements between Wustock and its clients "did not give a general authority for what was in effect a wholesale disposal of securities."

Mr Scales said he did have such authority. The decision to sell the clients' shares had since proved a costly one to Wustock, but that it had been able to meet all subsequent client demands.

He said the revocation order would make it more difficult to meet client demands in full, but Wustock had "definitely no liquidity problems." He declined to specify the sums of money involved.

Mr Scales admitted that he made a "commercial misjudgment" in selling the shares, but that misjudgment was not itself grounds for Mr Peel's action.

He added that he was preparing an appeal against Mr Peel's order. A two-stage appeal process is available to him. A disciplinary committee constituted under the terms of Hong Kong's Securities Ordinance may hear the case. Beyond that, Mr Scales said there was the possibility of a high court appeal.

Mr Scales dates Wustock's decision to sell its clients' shares back to a "severe decline" in the stock market in September 1982.

British in Talbot jobs protest

By John Hunt in London

THE BRITISH Government is seeking an urgent meeting with M Jean-Paul Parayre, chairman of Peugeot-Citroen, to register a strong protest at the company's decision to reorganise its Talbot headquarters in Coventry with the loss of some jobs.

Ministers are angered by the move and maintain that it is in direct contravention of undertakings given by the French parent company when it received a £28m loan following its takeover of Chrysler UK in 1978.

Mr Parayre will be warned that unless his company gives undertakings to abide by the agreement the Government would be prepared to consider calling in the loan as a last resort.

At the moment, however, this will be seen very much as a bargaining counter. The Government would not want to jeopardise the future of the Ryton plant where the Alpine and Solara are made or the Stoke engine plant in Coventry.

Nor would it want to rock the boat at a time when Talbot is expected to announce shortly that its British operation has broken even for the first time in four years and that it made a profit for the first quarter of this year.

Under the reorganisation Talbot will move its UK Headquarters from Whitley, Coventry, and about 130 of the 900 staff and engineers will lose their jobs. In addition, 200 engineers and stylists will be offered jobs in the Paris factory

Lukewarm support on U.S. arms

Continued from Page 1

White House that the Soviet Union's hostile response to the "interim" proposal on European disarmament may help to shift public perceptions about Soviet aggressiveness. But even if such a shift occurred, it would almost certainly come too late to avert substantial cutbacks in the Administration's ambitious military spending plans by the time the tortuous congressional budget process is completed.

Nevertheless, some U.S. officials believe that the Soviet leadership has played into U.S. hands with its quick rejection of President Reagan's compromise.

Mr Andrei Gromyko, the Soviet Foreign Minister, on Saturday called the U.S. proposals for the U.S. and the Soviet Union to deploy equal number of intermediate nuclear weapons "absurd" because it ignored British and French missiles and U.S. strategic bombers based in Europe. Mr Gromyko also rejected the U.S. insistence that Soviet missiles targeted on Asia would have to be included.

World Weather

Place	Temp	Wind	Cloud	Temp	Wind	Cloud
Amsterdam	12	10	10	14	10	10
Antwerp	12	10	10	14	10	10
Birmingham	12	10	10	14	10	10
Bombay	28	10	10	30	10	10
Buenos Aires	20	10	10	22	10	10
Calcutta	28	10	10	30	10	10
Canton	28	10	10	30	10	10
Cebu	28	10	10	30	10	10
Colon	28	10	10	30	10	10
Hankow	28	10	10	30	10	10
Hong Kong	28	10	10	30	10	10
Kobe	12	10	10	14	10	10
London	12	10	10	14	10	10
Lyons	12	10	10	14	10	10
Manila	28	10	10	30	10	10
Medan	28	10	10	30	10	10
Osaka	12	10	10	14	10	10
Paris	12	10	10	14	10	10
Perth	12	10	10	14	10	10
Rangoon	28	10	10	30	10	10
Shanghai	12	10	10	14	10	10
Singapore	28	10	10	30	10	10
Sourabaya	28	10	10	30	10	10
Tokyo	12	10	10	14	10	10
Yokohama	12	10	10	14	10	10

UK seamen to meet on strike call

BY JOHN LLOYD, LABOUR EDITOR, IN LONDON

THE National Union of Seamen (NUS) is likely to decide today whether to take industrial action after the commanding officer by the Royal Navy of HMS Kestrel.

A strike call could affect the union's 26,000 members many of whom are at sea.

The Keren was taken over by the Royal Navy last Thursday night when the civilian crew was absent on leave.

The ship, owned by the Ministry of Defence (MoD) but managed by the Blue Star Line, was bought from Sealink last month to carry troops from Ascension to Port Stanley.

It had been held up in Wallaseid

dry dock on the Tyne because the NUS and Blue Star were unable to agree on rates of pay.

The ministry said last night that the ship was "working up" with a Royal Naval crew in the North Sea.

It said that negotiations were a matter for the company and the union, and that it would continue under naval command for "as long as necessary."

It is understood that the NUS and Blue Star will meet again today in an attempt to resolve what had been a wholly deadlocked position.

Blue Star, which undertakes all other bidders to win the management contract, said it could pay no more

than the prevailing deep-sea rates of between £180 and £190 a week, while the union had insisted on preserving the £40-£50 differential paid to ferry crews.

Mr Jim Slater, the NUS general secretary, has adopted a militant posture, advising his members to be prepared for industrial action.

The shipowners believe Mr Slater may be under pressure today to compromise. They point to the depressed nature of the market and the effect of a strike on trade, and to the fact that other NUS members in the merchant marine receive normal deep-sea rates.

Background, Page 4

A Child in Need

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Telephone _____

☐ I want to sponsor a child, please send me details of one child who needs my help. I enclose £7.50/£9.50 as my first month's contribution. (No need to apply with a cheque.)

☐ I cannot sponsor a child immediately but enclose a gift of £5/£10/£20/£50/£100.

☐ Please send me further details on sponsorship. (Tick appropriate box)

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Tuesday April 5 1983

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INTERNATIONAL CREDITS

Portugal submits to tough terms Delors cheers the bond market

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

PORTUGAL has caved in to demands from its creditor banks for significantly tougher terms on its forthcoming major Euroloan. Not only has the amount of the loan been cut as expected to \$300m from \$400m, but Portugal has agreed to pay spreads at the top end of its previous negotiating position. Specifically these are 1/2 per cent over London Eurodollar rates for seven years or 0.45 per cent over U.S. prime rate. Unusually for a prime-based deal there is to be no provision for protecting Portugal against excessive interest costs if the prime rate is held artificially high by U.S. banks. These are the terms of an informal agreement reached at the end of last week between Portugal and a few of its major foreign bankers who are putting together a fully underwritten offer. Only when that is done will Portugal openly admit to the extent to which it has had to revise the terms on offer. Originally it was seeking a \$400m loan at a margin of 0.3 per cent over prime of 1/2 per cent over London interbank offered rate (Libor), but from the outset the margins were deemed too low by the market. Portugal's problem was that it had to have a deal at almost any price once its plans were announced. To fail conspicuously would have meant jeopardising an already rather vulnerable credit rating and meant at best a very steep rise in margins on future loans.

The Portuguese debacle has reminded some bankers of last summer when Venezuela disdainfully dismissed an offer from a group of leading international banks for a \$2bn credit. This was on the grounds that its margins, ranging up to 1 1/4 over Libor and 1/2 per cent over Prime were too high. It never got the money and now is having to reschedule its debt on substantially higher margins. Elsewhere, talks between Chile and its leading bank creditors continued last week in an effort to find a formula for rescheduling some \$3.5bn falling due this year and next, as well as providing about \$1.2bn in new loans.

resist market forces in this way, but the question now is whether even these higher spreads will be enough to get its loan off the ground. Here the market is very confused, with some bankers saying that Portugal is in fact paying more than it needs to and others saying that the terms are not that generous. The latter school points to the continuing slow progress on Greece's \$500m loan with its 1/2 per cent margin over Libor. Meanwhile, talks between Chile and its leading bank creditors continued last week in an effort to find a formula for rescheduling some \$3.5bn falling due this year and next, as well as providing about \$1.2bn in new loans.

FRENCH FINANCIAL COMMUNITY TAKES HEART

BY DAVID MARSH IN PARIS

THE FRENCH bond market, the focus of the Government's efforts to dredge new channels for the country's savings flows, has given a resounding thumbs up to the economic austerity measures promulgated 10 days ago to prop up the franc. Hardly interrupted by the municipal elections at the start of the month and the devaluation of the franc within the European Monetary System (EMS) towards the end of it, the capital market yields continued to tumble throughout March. New issues brought to market during the month amounted to about FF 17bn, taking the total during the first quarter of 1983 to about FF 50bn, a rise of nearly 50 per cent compared with the same period of 1982. The financial markets - including the Paris bourse, where share prices were again firm last week, and have risen by 15 per cent since the start of the year - have reacted in a classic way to what has been a classic deflation package aimed at reining in excessive domestic demand. The measures, aimed at cooling down the economy by taking FF 65bn out of circulation this year, will clearly depress activity. This helps to explain the grudging response the moves have received from the Patronat employers' federation, which complains that the package does not help industry. But the financial community has been heartened by the confirmation of M. Jacques Delors, the Finance Minister and a key proponent of economic orthodoxy, as the strongman of the Socialist government. And, more specifically, the bond market has reacted with undisguised pleasure to the announcement by M. Delors that the measures will cut public borrowing (both by central government and state agencies) this year by around FF 40bn. Together with the abatement of pressures on the franc after the EMS realignment, slackening borrowing should ensure that French interest rates maintain their steady downward path over the next few months. M. Delors hopes, in particular, that less competition from official borrowers should allow more room for private sector enterprises to raise funds on the capital market - although there has been little sign of this so far this year. Apart from the Government itself, which raised FF 10bn in a bond issue in early February, the bond market has been dominated in 1983 by the classical state agencies - the railways, coal board, telephones and financial institutions such as Credit Foncier. The banks, which use funds garnered from bond issues to raise their lending limits under France's "encadrement" system of credit ceilings, have also profited from the primary issue boom. Last month alone all the Big Three nationalised banks came to the market, for a total of FF 5.5bn, while the big co-operative banking groups have also been heavy fundisers. So far, however, industrial companies have given the bond market

International Capital Markets Review

more than seven years' life are now 13.88 per cent, according to the indices calculated by Paribas. This is 0.60 points down from the end of February, a fall of just over 1 point since the beginning of the year, but still offers a healthy real return when inflation is in the 9 to 10 per cent range. Yields on private sector issues - where the risk, of course, is judged greater - are about 15 per cent. Stringent exchange controls which permit investment on foreign securities markets only by buying foreign exchange at a considerable premium have also contributed to domestic bond demand. With alternative investment havens such as gold or property still looking relatively dull, and with the Government trying to make short-term deposits less attractive through fiscal and other devices, more and more individual savers are turning towards the capital market as a home for their spare funds. Yields on state bond issues of

BOND MARKETS

Salomon seeks out unsatisfied demand

BY MARY ANN SIEGHART IN LONDON

THE CLASSIC way to make money in the bond market - or any other market for that matter - is to discover a pocket of unsatisfied demand and to supply it. Often, the resulting innovation is not an original idea in itself, but a combination of old ones put together in a new way. Salomon Brothers has come up with just such an idea. The unsatisfied demand is from the managers of the new U.S. "money market accounts", the interest-bearing current accounts that were set up by savings and loan (S & L) banks last December in an attempt to compete with money market funds. Since then, more than \$20bn has been paid in. These S & L institutions are generally small and regional. They have had little or no exposure to the Euromarkets, but they need stable, high-yielding, floating-rate investments with which to match their liabilities. Salomon, with its background of

mortgage-backed securities business in the U.S., has the ideal contacts to meet that demand. And it has done so by introducing floating-rate paper, based on the London interbank offered rate (Libor) to the U.S. domestic market. The dry run was a \$50m note from B.F. Goodrich, the U.S. tyre manufacturer, three weeks ago. Last Monday, the Kingdom of Denmark became the first foreign borrower to float such a bond in the U.S. It was a private placement, and it is understood that at least \$150m has already been placed, largely with thrift institutions. The note paid 50 basis points over 3-month Libor, with a life of seven years. The interesting question is whether other borrowers will follow suit in tapping this new market. Without question, they will have to be of high quality - probably, sovereign states. And the lead managers, to meet the demand dispersed wide-

ly through the U.S., will have to have the right contacts. Of the houses involved in the Euromarket, Salomon and Merrill Lynch, with its huge money market funds, seem to be best qualified. There may well be some activity there in the next two or three weeks. Meanwhile, Eurodollar market participants are observing events with interest. One remarked last week, "It's a hell of a product. I'll be interested to see how far it'll go." Elsewhere in the Eurodollar market, investor demand was low, but the only two new issues were from good names and sold quickly at small discounts. BMW and Gasunie both floated \$50m, par-priced bonds with a coupon of 10 1/4 per cent; BMW's with an eight-year maturity, and Gasunie's with a life of seven years. But Dresdner Bank had to support its issue so heavily in order to prevent its price from falling to a heavy discount that it ended up

with at least \$65m worth of its \$100m issue. It underwrote \$30m, took back \$1m from each of its 23-strong co-management team and then bought in the market at the beginning of last week. By Thursday, however, the shortage of bonds was so acute that some dealers who had gone short were forced to buy at between 98 1/4-99. Obviously it is desirable that lead managers look after their issues if they look likely to languish, but as one new issue manager pointed out last week, "Why bother to have a public offering if you're going to buy them all back again?" The Swiss market was helped last week by a decline in new issue activity. Over the past two weeks, four potential borrowers have postponed their issues, and volume has been much lighter. One Swiss banker remarked dryly, "The market needs some self-discipline; the Japanese have killed it for themselves."

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Air. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
BMW	50	1991	8	10 1/4	100	Morgan Guaranty	10.625
Med. Gasunie	50	1990	7	10 1/4	100	SBC	10.625
D-MARKS							
BMW	200	1993	10	7 1/4	99 1/2	Deutsche Bank	7.824
World Bank	300	1993	10	7 1/2	100	Deutsche Bank	7.588
World Bank	100	1991	8	8 1/4	100	West LB	8.258
Telcelco Int.	50	1991	8	7 1/4	100	Bay. Landesbank	7.375
SWISS FRANCES							
Swissair	40	1988	-	3 1/4	100	SBC	3.758
EB	100	1993	-	5 1/4	100	SBC	5.758
Swissair Construction	30	1988	-	4 1/4	100	CS	-
UK FRANCES							
Dept. of Energy	600	1993	8.96	10 1/4	100	Bpce, Int. & Lux.	10.758
SKE	250	1990	5.8	12 1/2	100 1/2	Bpce, Int. & Lux.	12.140
ECUs							
Credit National	50	1993	10	12 1/4	-	Credit Lyonnais, Kredietbank Lux., BNP	-
YEN							
Furukawa	500	1993	9	8.5	99.85	Yamachi Secs.	9.122

* Not yet priced. † Final terms. ** Placement. † Floating rate note. ‡ Minimum. \$ Convertible. Note: Yields are calculated on ABB basis.

This announcement appears as a matter of record only.



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at SEK 540 per share

and

Introduction

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March 1983

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Kuwait International Investment Co. S.A.K.	Kuwait Investment Company (S.A.K.)	Lazard Frères et Cie
Lehman Brothers Kuhn Loeb International, Inc.	Lloyds Bank International	LTCB International
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BUILDING AND CIVIL ENGINEERING

UK team pitches for Saudi Arabia 200 project

WILDLIFE expert Tony Slesinger is used to big game, though nothing quite so enormous as the £1bn Saudi Arabian zoo project which, with his help, might soon be netted by a team of UK consultants.

A decision on whether or not to proceed with the scheme is expected within two to three months and the British reckon that, given the go-ahead, they are in pole position to pick up the job.

As chief executive of Wildlife Management Consultants, Slesinger is a globe-trotting animal buff who delights in providing wild animals and animal advice to those in need.

It was on a visit to Saudi Arabia in 1981 that he was invited by a local consultancy to make a submission for an ambitious zoological gardens scheme planned for nearly 1,500 acres of sandy, mountainous land on the outskirts of Jeddah. The site flanks the Mecca road and would prove a major attraction for pilgrims.

The plan had been around for several years, taking a temporary back-seat in the Saudi list of spending priorities. On this occasion, however, there appeared to be a fresh sense of determination to go ahead. Slesinger hurried back to the UK to talk to contacts in London.

Those contacts turned out to be Christopher Carnell and David Green (pictured at London Zoo), of Hawkes Part-

nership, the London-based architectural and planning practice, which they — together with other breakaway members of the Triad design group — had started a couple of years before.

Together, the two men had established Corbell Green to act as the overseas arm of the Hawkes Partnership. Both experienced in Middle East work and keen to build up foreign commissions, they listened to what

they stood a chance if we assembled a team of specialists who could put together a package."

By the start of 1982, the consultancy team had been put together and flew out to Jeddah to discuss the huge project with Technical Productive Corporation (TEPRCO), a local trading and contracting operation which was acting on behalf of the client, the Ministry of Municipal and Rural Affairs, Municipality

of Jeddah.

Included in the team are project managers Carnell Green (now being fully integrated into Hawkes), Mathews Ryan Partnership (specialist zoo architects), Burrell Hayward & Budd (specialist zoo cost consultants) and Slesinger's Wildlife Management Consultants.

The mutual familiarisation session went well and the UK team actively pushed for acceptance of the "zoo geographic" concept, in which the complex would be split into continental regions, accommodating animals from appropriate global regions.

"We set out to impress upon the Saudis that zoos are not necessarily smelly places with loads of animals all over the place. A zoo should be a source of entertainment and education and our proposals set out to achieve those objectives," says David Green.

The team's plans involve a phased development and include a visitors' centre, a large education centre and several reference houses featuring various animal families. The residents of an existing zoo on site will be rehoused in a new urban zoo complex. Major considerations in determining the shape of the project have been the provision of water and of shade.

Phase one will comprise the visitors' centre and the urban zoo and the UK team says it is geared up to provide a couple of tigers, an elephant, big cats, giraffe, zebra and hundreds of birds to complement the animals already present.

In putting together their proposals, the consultancy team visited the United States to examine the Sonora desert museum, possibly the best arid land zoo in the world, San Diego wildlife park and the Bronx zoo. It was a "crash course" which hardened up the concept they had already formulated.

Armed with their own ideas and the pick of the best devices already incorporated into other leading zoos, the team submitted its master plan last autumn, since when substantial changes

have been made following detailed talks between the two sides.

"From the outset, there has been a flexibility on the part of all the participants which has enabled us to come up with something acceptable to everyone. In a very free-thinking exercise, we have each put up proposals and counter proposals and eventually arrived at the right formula," Carnell adds.

After the hectic activity of the last 15 months, comes the waiting and the nail-biting. The participants are only too well aware that the scheme has been proposed for some time and equally aware that Saudi Arabian spending programmes

are undergoing review in the wake of the fall in oil consumption and prices.

A zoo, they readily appreciate, is not likely to be a priority when the economic climate turns sour, but the team takes comfort from the apparent determination on the part of the Saudis to press on with a proposal which forms a natural sequel to earlier phases of primary industrial development.

The crucial decision concerns the next Saudi budget, now being formulated. If provisions for the first phase of the zoo are included, then the UK

team rate their chances highly. According to Christopher Carnell: "We have delivered 30 crates of tender documentation with the Saudis and are waiting for the thumbs up. We reckon we are very well placed because, as far as we know, no-one else managed to mobilise in such a short time. In any case, we have got the most exciting concept and the best scheme."

"If the plan falls through, then it is fair to say we will have lost money on getting it this far. If it works, it will have been worth every penny."

MICHAEL CASSELL

Landscaping the desert

THE FIRST of 400,000 shrubs for a new green landscape to transform 1,375 acres of the Saudi desert will be planted next month by Chris Bankhurst, chairman and managing director of the Hertfordshire-based V&P group.

The international landscape and irrigation engineers have won a £5m contract for landscaping a large new housing

development at Dumez, of Paris, and the project consultants are Saudi Consulting House/Leo A. Daly.

Slesinger had to say. As the plan was outlined, the excitement was quickly tempered by the realisation that the project was well beyond the capacity and experience of a small practice whose bread and butter business was in the £1m-£2m range and principally centred on the world of retailing.

According to Christopher Carnell: "The opportunity was too good to miss and we decided

to take it. We had to build a team quickly and we decided to go for a mix of local and international expertise. We have now got a team of 15 people, including a number of specialists in desert landscaping and irrigation."

The team has been working for several years, taking a temporary back-seat in the Saudi list of spending priorities. On this occasion, however, there appeared to be a fresh sense of determination to go ahead. Slesinger hurried back to the UK to talk to contacts in London.

Those contacts turned out to be Christopher Carnell and David Green (pictured at London Zoo), of Hawkes Part-

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MICHAEL CASSELL



Hugh Routledge

Fast work at Standon House

ONE FEATURE of the building recession is the speed at which available work is being completed. Saving time saves money as Willett, part of the Trafalgar House group, knew when it tendered for Peasey Property's Standon House development in the City of London in March of last year.

Standon House, a 42,000 sq ft office building in seven stories at the junction of Brahm Street and Mansell Street just within the City's eastern borders, was topped out last week and is due for completion next October or November.

"The contract first came out on a 21 month period," says Derek Blundell, technical director of Willett which started on the £3.7m job last April; "we came in on 18 months."

Willett achieved its time saving in a number of ways, he says. It decided to use no external scaffolding; cantilevered scaffolding allowed external cladding to proceed at the same time as the frame was being completed.

"We also looked at the work within the building," says Mr Blundell, "and started the work on services early." High level duct work and pipework were achieved at a much earlier stage than normal, he says.

He also points out that completion early in the winter avoids a dead period after the Christmas holidays.

"Quicker is cheaper," says Mr Blundell, noting that "builders' preliminaries" — contractors' staff, plant, scaffolding and so on — can add up to between eight and 15 per cent of the contract's value. Willett, nevertheless is hoping that it will come out with a profit.

Savings here have allowed Peasey to spend more, within a total development cost of some £9m, on quality finishes. Principal elevations are of Sardinian grey polished granite, with bronzed anodized aluminium windows.

Inside there will be extensive use of marble and polished wood in the common areas. The area has recently attracted prestige tenants like insurance brokers Sedgwick, Bala Dawes and Hogg Robinson. Peasey wants that sort of tenant, rent close to £18 a foot and a total rent roll of £650,000 which it reckons would value the building at over £11m completed and fully let.

"It would make an ideal headquarters building for companies which are shrinking, and moving," says John Brown, Peasey's managing director. "We have also had eight serious enquiries from people thinking of buying it for owner occupation. It's a freehold, and there are not too many of those in the City."

WILLIAM COCHRANE

CONTRACTS

Trollope & Colls win £20m office block

TROLLOPE & COLLS, part of the Trafalgar House Group, has been awarded a £20m contract to build an office block in Woking by Westbourne Terrace Investment Co. Situated in Duke Street, work has begun on the development which will consist of an "E" shaped building, part seven and part eight storeys high, with basement parking for over 400 cars.

More than 19,250 sq metres of air conditioned office space will be provided as well as areas for amenity uses. The building will have a reinforced concrete raft with RC frame. The cladding will be in-situ brick work with precast brick faced panels. Thirteen lifts and eight staircases will serve the office floors. The building is due to be completed in April 1985.

Contracts totalling nearly £8m have been won by the Midlands regional office of CLARKE CONSTRUCTION. They include warehouse units at Oldbury (£1.1m) and a distribution depot at Stone (£1.1m) for Echo Estates; 84 dwellings, Burton on Trent, for East Staffordshire District Council (£1.1m); distribution depot, Wellingborough, for TNT (£790,000); 45 flats, Balsall Heath, Birmingham, for the Harden Housing Association (£717,000) and a new primary school and nursery for Derbyshire County Council, Swadlowcote-Newhall (£501,000).

WILKINSON INTERIORS has secured a number of interior contracts worth £4m over the past three months. Work includes a casino and restaurant

in the Imperial Hotel, Russell Square for Stakis, the complete refurbishment of the entrance and reception at the Hyatt Carlton Tower, a private flat refurbishment in Bentinck Close, building and refitting for Tesco at Ashford and refurbishment work at Terminal 3, Heathrow for the British Airports Authority. All are due for completion by the end of 1983.

A £6m design and build contract for engineering workshops and offices at Sellafield, Cumbria, for British Nuclear Fuels has been awarded to FAIRCLOUGH BUILDING north western division of Swinton, near Manchester. Under an 83-week contract, Fairclough will design and construct 5,000 sq metres of single storey workshops, a two-storey office building with floor space of 8,000 sq metres, external compound area, small ancillary buildings, a car park and access roads. The building structures will have a portal steel frame clad in profiled aluminium sheeting. The contract incorporates furnishings and general fitting out.

SINDALL CONSTRUCTION has been awarded contracts totalling £1.8m including a day centre at Neath Hill, Milton Keynes for the Buckinghamshire County Council worth £619,856 and flats and houses at Harrow Road for the London Borough of Waltham Forest worth £887,354. Sindall also has a £345,158 contract for almshouses and wardens' house at Chesterfield Road, Barnet for the Trustees of Eleanor Palmer Charity.

Restoration at Kingston Lacy House

ERNEST IRELAND CONSTRUCTION, a part of the John Howland Group, has been awarded a £1.05m contract by the National Trust for restoration work to Kingston Lacy House, near Wimborne, Dorset.

Kingston Lacy House is part of the estate of some 15,000 acres which was bequeathed to the National Trust in 1981 and is its largest bequest.

Work to be undertaken by Ernest Ireland's Bournemouth regional operations office, comprises extensive repairs to the fabric of the building, roof, facades, windows and minor alterations to facilitate access to members of the National Trust and the general public when the house opens in 1985.

A fully protective scaffold and temporary roof will envelope the building while roof and stonework repairs



are carried out. The interior repairs and alterations to the mechanical services and electrical installation will then be undertaken in conjunction

with all related fittings and finishes. Work has already commenced and completion is scheduled for the summer of 1984.

Lovell's £3.5m in Croydon

London architects, Diamond Lock, Grabowski & Partners, has awarded a £3.5m contract to Y. J. LOVELL (SOUTHERN) to undertake the construction of an eight storey office building at 5 Bedford Park, Croydon. The building will provide 46,000 sq ft of air conditioned offices. Work on site started in November and completion is due in April 1984.

BALFOUR BEATTY CONSTRUCTION, part of the BICC Group, has been awarded a £1.8m contract by the British Gas Corporation for the civil engineering and building works associated with a gas compressor station at Warrington, Cheshire. Work comprises the construction of a control building, two compressor cabs, four minor buildings and miscellaneous plant foundations, water reservoir for fire fighting, drainage, ductwork, landscaping and fencing. All M & E installations, including a considerable amount of ductwork connecting the buildings, are included in the contract. Structural steelwork will be supplied by Painter

Bros, a Balfour Beatty company. Work started on March 7 with a 34 week construction period.

The Midlands branch of WILLIAM STEWARD & CO has secured a contract worth over £1m from Kyle Stewart Management for the electrical installation at the new R.S. Components office and warehouse at Corby. Work is scheduled for completion in 12 months. The project consists of an office block and warehouse of some 30,584 sq metres and includes a highly

sophisticated computer energy saving lighting system.

TRACTS has been awarded a contract for the first phase of the conversion of Stouts Hill, Uley, Gloucestershire, into "time share" suites. The contract, which is in excess of £300,000, includes the restoration of the exterior of the main building, the refurbishment of the interior and the construction of nine self-contained luxury suites with a heated pool and dining facilities.

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Continued on Page 21

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 22

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 22

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. For a stock or stock dividend amounting to 25 percent or more has been declared, the actual date of the dividend is shown for the split or stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. dtd-called. e-New yearly dividend. f-annual dividend. g-annual dividend. h-annual dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid in cash. k-dividend declared. l-dividend declared. m-dividend means. n-dividend declared or paid this year, an accumulative dividend with dividends in arrears. o-New issue in the past 52 weeks. The high-low range begins with the start of trading in the market. P100-1000 ratings. q-dividend declared or paid in preceding 12 months, plus stock dividend. r-stock split. Dividends begin with date of split. s1-s10es. 1-10. t-dividend declared. u-dividend declared. v-dividend rate. w-also on co-dividend or ex-distribution date. x-New yearly dividend. y-trading halted. y1-in bankruptcy or receivership or being reorganized. z-dividend declared. P100-1000 ratings. z1-dividend declared. z2-dividend declared. z3-dividend declared. z4-dividend declared. z5-dividend declared. z6-dividend declared. z7-dividend declared. z8-dividend declared. z9-dividend declared. z10-dividend declared. z11-dividend declared. z12-dividend declared. z13-dividend declared. z14-dividend declared. z15-dividend declared. z16-dividend declared. z17-dividend declared. z18-dividend declared. z19-dividend declared. z20-dividend declared. z21-dividend declared. z22-dividend declared. z23-dividend declared. z24-dividend declared. z25-dividend declared. z26-dividend declared. z27-dividend declared. z28-dividend declared. z29-dividend declared. z30-dividend declared. z31-dividend declared. z32-dividend declared. z33-dividend declared. z34-dividend declared. z35-dividend declared. z36-dividend declared. z37-dividend declared. z38-dividend declared. z39-dividend declared. z40-dividend declared. z41-dividend declared. z42-dividend declared. z43-dividend declared. z44-dividend declared. z45-dividend declared. z46-dividend declared. z47-dividend declared. z48-dividend declared. z49-dividend declared. z50-dividend declared. z51-dividend declared. z52-dividend declared. z53-dividend declared. z54-dividend declared. z55-dividend declared. z56-dividend declared. z57-dividend declared. z58-dividend declared. z59-dividend declared. z60-dividend declared. z61-dividend declared. z62-dividend declared. z63-dividend declared. z64-dividend declared. z65-dividend declared. z66-dividend declared. z67-dividend declared. z68-dividend declared. z69-dividend declared. z70-dividend declared. z71-dividend declared. z72-dividend declared. z73-dividend declared. z74-dividend declared. z75-dividend declared. z76-dividend declared. z77-dividend declared. z78-dividend declared. z79-dividend declared. z80-dividend declared. z81-dividend declared. z82-dividend declared. z83-dividend declared. z84-dividend declared. z85-dividend declared. z86-dividend declared. z87-dividend declared. z88-dividend declared. z89-dividend declared. z90-dividend declared. z91-dividend declared. z92-dividend declared. z93-dividend declared. z94-dividend declared. z95-dividend declared. z96-dividend declared. z97-dividend declared. z98-dividend declared. z99-dividend declared. z100-dividend declared.

WORLD STOCK MARKETS

CANADA

(Closing Prices)

Mar. 31

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DENMARK

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NETHERLANDS

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INTERNATIONAL ECONOMIC RELATIONS

How the Third World is changing its strategy

By David Tonge, Diplomatic Correspondent

THREE-QUARTERS of the countries of the world are currently meeting in Buenos Aires to put the finishing touches to a new strategy for economic negotiations with the industrialised West.

The meeting is of the "Group of 77"—the informal body in which the poorer countries co-ordinate their economic activities in the UN. Those attending have been charged with putting into action a major shift in policy just agreed by the leaders of most of the Third World.

Last month in New Delhi, 99 members of the Non-Aligned Movement decided that their situation was so serious that they had to reach agreement with the industrialised world on a series of "immediate measures" to prevent the world economy from worsening.

These include debt relief, an increase in world liquidity through action by the International Monetary Fund, greater aid and bank lending to the Third World and more open markets for its products.

This marks a shift in strategy for the developing world is no longer insisting that the first priority must be a restructuring of the financial system set up after the Second World War, including changes in the control of institutions such as the IMF and World Bank.

The change should mean a different tone in dealings between the North and South. The first evidence of this is expected at this month's meeting of Finance Ministers of the Development Committee of the IMF and World Bank in Pakistan, which is chairing the meeting.

Further negotiations will follow at the June meeting of the United Nations Conference on Trade and Development, in Belgrade, the UN General Assembly in September and the annual meeting of the IMF and World Bank in Washington.

The Non-Aligned Movement, founded by Nasser, Nehru and Tito in 1961, has long been the most influential of the bodies

into which the Third World groups itself. Though excluding China, its members account for over half of the world's population and two-thirds of the countries represented at the United Nations. Its activities led to the formation of Unctad and its regular summits have set the tone for how the developing countries treat the UN system as a whole. Its members can currently block any resolution at the UN Security Council.

The movement meets at a more senior level than the Group of 77 and largely sets the course for the latter follows. If northern countries play down the movement's influence, it is they they had to reach agreement with the industrialised world on a series of "immediate measures" to prevent the world economy from worsening.

The movement's change in tone at last month's New Delhi conference came as Mrs Gandhi, India's Prime Minister, took over its leadership from Cuba's Sr Fidel Castro. Just as suggestions that the Soviet Union is the "natural ally" of the non-aligned have been buried—to Mrs Gandhi's declared approval—so the changes on the economic front broadly bring the approach of the non-aligned close to that of India.

The developing countries still attack the "present iniquitous economic system" and describe global negotiations as "the most important and comprehensive endeavour of the international community," as their 50,000-word New Delhi communiqué says.

This is in line with the Indian view that the present economic crisis is structural and not a natural part of the business cycle. To Mr Ramesh Bhandari, India's chief economic negotiator at the conference, the instruments developed after the Second World War are no longer applicable or effective in the changed technical, ideological and social conditions of today. "The situation has gone haywire. For that reason we talk of the need for structural change," he said in an interview after the conference.

But the key to his thinking—and now to that of the Third World as a whole—is that years of pressing for structural change and global negotiations have led nowhere. This is why,



Cuba's Fidel Castro has just handed over the leadership of the Non-Aligned Movement to India's Mrs Gandhi.



he says, in areas such as debt "you simply cannot postpone immediate measures."

This may seem only a small change, but moderate leaders of the Non-Aligned Movement, such as Yugoslavia, argue that it was the maximum that could be achieved at a single conference. To reinforce their case they point to the problems faced by Algeria in accepting the shift. That country had

spearheaded the calls for a new international economic order ever since it hosted the fourth non-aligned summit in 1973.

Mrs Gandhi's officials thus made a point of persuading Algeria to accept a change even before the conference began. Yet nights of debate between Algeria, representing the radicals, and India supported by the pragmatists, were required before a formula could

be found which pressed for immediate measures but did not abandon calls for a change in structure.

In the end the New Delhi summit's formula is very similar to that proposed by the Brandt Commission on North-South issues in its latest report, *Common Crisis*, published in February. This repeats the plea for structural change made in its 1980 report, but it puts its

emphasis on a step-by-step approach "directed to averting world collapse," and concentrating on the financial field.

The communiqué of the New Delhi summit makes clear how disillusioned the developing world is at the results of nine years of North-South dialogue. "Hardly any progress... utterly inadequate minimum package... tardy and inadequate" are the comments peppering the section on such negotiations.

Far from obtaining a larger slice of the world's cake, developing countries have had to deal with a recession which has caused average income in at least 26 of the world's poorest 36 countries to fall in the past two years.

In 1981 and 1982 developing countries suffered a net foreign exchange loss of around \$200bn (£132bn), according to the non-aligned communiqué. Export earnings have fallen by \$150bn and debt service payments risen by \$37bn. Now net new bank lending to non-oil developing countries is slumping. After increasing by \$40.4bn in 1981 and a further \$15.3bn in the first half of 1982, it fell by \$0.8bn in the third quarter of last year and is believed to have tumbled since.

"This massive decline in foreign exchange availability translates itself into a corre-

sponding decline in import capacity... thereby reducing the exports of developed countries and threatening a major and cumulative contraction in world economic activity," warns the New Delhi communiqué.

Mrs Gandhi, who will chair the Non-Aligned Movement for the next three years, argues that this interdependence between North and South underlines the need for action by the West: "Given the present state of some of the developed economies in the western world it would be to their advantage to turn to the South and seek its co-operation," she said after the conference.

In recent speeches Mr George Shultz, the U.S. Secretary of State, has also stressed the interdependence of the developed and developing worlds. He has cited estimates that a \$25bn drop in capital flows to developing countries cuts OECD growth by at least 0.5 per cent.

Mr Shultz has four objectives: "First, ensuring sufficient liquidity in the international financial system; second, preserving open markets; third, improving the international monetary system; and fourth, ensuring political stability in the developing world."

All this would not sound amiss on the lips of many Third World leaders, but differences

emerge when it comes to specifics. While Mr Shultz believes that the key to recovery in the South is renewed growth without inflation in the North, the developing countries argue that the current "downward spiral" can only be reversed by a major expansion of world liquidity.

It is this which makes them call for a major allocation of the IMF's special drawing rights, attack the recent 47.5 per cent increase in IMF quotas as disappointing, and call for these quotas to be doubled.

It is also this which makes them reject Mr Shultz's argument that the key to recovery from the debt problem lies with increased exports from developing countries. However true that may be in the medium term, they believe that a major debt rescheduling exercise is needed to give countries relief until the world economy returns to conditions similar to those prevailing when the debts were incurred.

The battle lines are clear. The non-aligned summit means that the South's shrill voice of protest has given way to a more reasoned message. But as the West prepares for its summit meeting at Williamsburg next month the developing world is expecting it to pay due attention to the anxiety which has caused the change.



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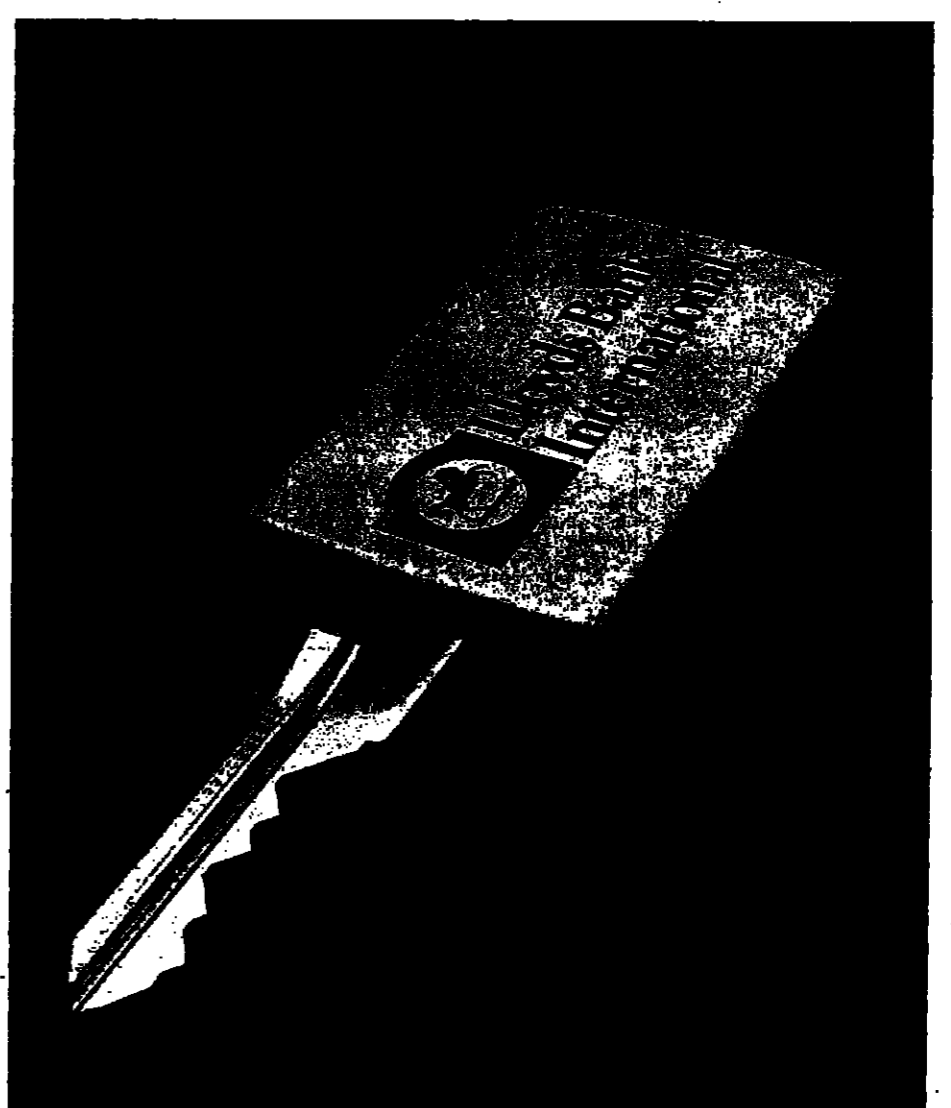
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TECHNOLOGY

ROBOTICS DEVELOPMENTS MORE LIKELY IN JAPAN AND U.S.

Scara a pointer to the future

BY ALAN CANE

SCARA is a robot designed in Japan by Professor Makino of Yamaguchi University. It is a simple robot with a stiff vertical shoulder and elbow at its best when inserting components in automated assembly systems.

Despite its limited abilities some 600 of these robots have now been produced in Japan by six manufacturers to use on their production lines.

Scara is, according to the market consultancy Frost and Sullivan, a pointer to the future of robot development. "It seems probable that development will most likely be in the creation of simpler robots, such as Scara, designed to undertake specific elements of assembly, rather than more complex robots capable of a range of tasks."

But it seems the thrust of these developments will be in the U.S. and Japan rather than Europe. "The motor for the development of robotics is in the main to be found in Japan and the U.S. Few fundamentally new developments are expected from European research programmes, although some centres of excellence exist."

These conclusions are contained in a new report from Frost and Sullivan which looks at the market for robots in each European country and assesses their contribution to the development of automated manufacture.

It estimates that Europe's robot population has nearly tripled in the past two years and is likely to grow by 30 per cent a year until 1986.

It suggests that growth will slow to 18-20 per cent a year after that. "The slowing of overall growth reflects both the increased size of the population

WHO IS WHO IN THE FIELD OF ROBOTICS

Unimation: Now part of Westinghouse, the recognised international robot pioneers. Manufactures the Puma robot family; the pace setter in robot development, the company is working on vision, force sensing and conveyor tracking. 8,000 robots installed world-wide.

ASEA: Large Swedish electrical engineering company, ASEA were the pioneers in all-electric drive robots. Some 1,500 robots have been installed world-wide.

Tyrolia: Norwegian company with some 1,100 robots installed world-wide; built its

first robot to spray paint the wheelbarrows it then manufactured. Went into commercial robot sales in 1969 and has not looked back.

Volkswagen: Built robots for use in its own automobile factories and has now licensed General Electric of the U.S. to manufacture and market its machines. Some 800 installed world-wide.

Kuka: Swedish robot maker specialising in spot welding—600 installed world-wide.

Cincinnati Milacron: Huge U.S. machine tool manufacturer which penetrated the European market when Volvo

placed an order for 40 robots in 1980. Major sales to Ford, British Leyland and Volvo.

Acma-Cribier: Engineering subsidiary of Renault with some 400 robots installed. Primarily selling to a captive market but making their system commercially available to others.

Others (with less than six per cent of the European market) include Comau, Kanfield, Nimak, Fairley Automation, Hall Automation ZF, DEA, Prati, Olivetti, Baster, Reik, Yashawa, and Jungheinrich.

base and a slowing of demand in some applications due to an approach to saturation."

The value of the market is likely to be about \$230m in 1986 and \$350m in 1990 (1981 prices), the report suggests.

So who will buy all these robots, from whom and for what? Frost and Sullivan suggests that manufacturers are taking an increasingly mature view of robotics. Robots are now seen not as individual components, but as parts of systems, including other machinery such as numerically controlled (NC) machines.

The automobile industry is already the major user of robots; there have always been good investment attitudes in the industry, the report says and even the usually cautious management in the United Kingdom have recently invested some £500m for the installation of more than 200 robots in British Leyland and Ford plants.

The car industry's share of the robot market will inevitably decline as other industries make greater use of robot-based systems. The electronics industry, for example, is already beginning to assemble printed circuit boards using, for example, Puma robots built by Unimation of the U.S.

Among other industries covered in the report are electrical engineering, mechanical engineering, metal, rubber and plastics, ceramics and glass and aerospace. "The development of robotics in the European aerospace industry is being spurred by advances in state-of-

the-art manufacturing techniques. In Denmark Per Uden is studying the use of robotics in manufacturing pylons for an aerospace programme in Holland."

It goes on to point out that Aerospaciale and Renault have agreed to exchange data on manufacturing innovations they have developed in their respective fields in efforts to transfer technological experience from the automobile industry to aerospace applications.

Observation

The report puts West Germany well in the lead with some 2,500 robots installed in mid-1982 with Sweden in second place and the United Kingdom third, a considerable improvement from earlier years.

The report observes: An observation that remains true for most countries is that those without indigenous manufacturers have had the lower robot penetration. The UK has in recent years acquired several domestic manufacturers. Acceptance of the product has become more widespread and accordingly the nation has experienced a rapid growth in robot usage.

Of West Germany's European leadership, Frost and Sullivan point out that there is considerable support from the government highlighting a generally high level of interest. "The Institute for Production Technology (IPA) in Stuttgart can claim to be of leading status in robotics on a world scale. Indeed so strong is the research and development at IPA, it is

difficult to imagine any other European group approaching its status on width and depth of experience."

Of the UK, the study notes that although the domestic market is still dominated by foreign companies like Unimation, Hall Automation, now part of GEC, holds 35 per cent of the UK market. "The UK has not installed as many robots as its European competitors."

"Many of those were installed because of health and safety rather than simply for an increase in productivity—this is not so much because of union attitudes, which are surprisingly good towards robot usage, but because of cautious management."

The report carries, the by now customary warnings about the Japanese threat, arguing that European manufacturers show indifference to the import threat.

It says that in five years time, Japanese suppliers will have established a significant market share: "We expect the Scara robot to make a major impact in Europe and foresee that European robot producers will have to fight hard during the 1980s to retain the major share of their market for domestic production — otherwise, imports of Japanese and U.S. origin may take up to 40 per cent of the European market by 1990."

Industrial Robots in Western Europe: Frost and Sullivan, in \$1,500. Frost and Sullivan is on 01-486 8377 in London, 212-233-1080 in New York.

TERMINALS LINK-UP

Teletex connection a step nearer

BY GEOFFREY CHARLISH

THE PROSPECTS for teletex—connecting office word processors and other terminals via a public telephone line direct to similar terminals elsewhere—comes a step nearer with an announcement from GEC Information Systems group of a teletex interface package.

To be marketed by Reliance Systems, the package will qualify for grants under the Government scheme in which companies installing teletex will have to up to half the cost, defrayed.

Behind the GECIS design is the idea that all the word processors, data terminals, computer stores and so on in a company should have access to teletex. So the basis is a unit called a "server," basically an eight port (input/output) interface that allows multiple access, operating on a store and forward basis to avoid users finding the teletex outgoing channel engaged.

Ideally the server will work in conjunction with a digital PABX (private automatic branch exchange) such as the SL-1 that Reliance offers. Then, perhaps as many as 100 terminals can be connected to the PABX in much the same way as 100 telephone extensions. The PABX is in turn connected via eight lines to the server's eight ports.

The server can accommodate all the traffic (on the assumption that 100 terminals will not all be in use at once) and will then act as a store and forward switch. In practice this simply

means that a user will type a complete message or document and dispatch it to the server. If the exchange line to the outside world is engaged, will store it temporarily on a 10 megabyte disc and send it soon afterwards. Similarly, incoming messages are held if the addressed terminal is engaged.

At the same time, the PABX is available for interconnection of the terminals within the company (like an internal telephone call).

If the organisation does not possess a digital PABX, the server can be used on its own. Then, the ports are connected directly to the user terminals and the public exchange line.

The teletex server can operate at either 1200 or 2400 bits/sec—the latter speed is about 30 times that of telex.

Stuart Crowther, Reliance's general manager for telecomm, thinks that companies should avoid thinking of teletex simply as a faster telex with upper and lower case.

He says: "Its main virtue is not speed at all but its ability to be accessed from any of the organisation's existing word or data processing units, or direct from a local area network or a computer store."

He believes that only when the teletex line is as accessible to terminal users as the telephone lines are to extension users—on a simple dial-out basis—will teletex's true advantages be realised.

Welding

British inside system

BORE welding is a difficult process, particularly if the tubes to be welded are of small diameter. Normally the welding is carried out from the outside of the tube, but now Foster Wheeler Automated Welding (17 Stadium Way, Tilehurst, Reading, Berks. 0734 415678) is offering its British designed bore welding system capable of welding tubes down to nine millimetres.

A common application is in the manufacture of shell and

tube heat exchangers. In this application the bore welding torch can reach into the inside of the exchanger to butt weld the tubes on to the inside face of the tube sheet. This is normally known as "back face welding."

The company claims that its new system offers better mechanical and corrosion properties. Full technical advice and a brochure is available from the company.

MAX COMMANDER

Plotting

Speeding production

CALMA has a new electrostatic plotter that can work 10 times as fast as a conventional pen plotter and is designed to speed the production of high resolution hard copy output from the company's GDS computer-aided printed board and microelectronics design systems.

Known as Principle, the machine is easy to set up and there are none of the problems of overshoot, running out of ink or mechanical arm failures which can make the pen plotter a potentially weak link in the design process says Calma.

The plot structure of Principle makes for easy diagram interpretation by the designer. Layers, shapes and intersections are easily distinguished by 64 standard fill codes, another 64 user definable fills and 64 line thicknesses.

The resolution is 200 dots per inch, allowing complex very large scale integrated circuits or dense circuit boards to appear in sharp detail. More on 0276 682021.

Moulding

New 3-M products

SEVERAL new products have been added to the 3M range of Eurochems for moulding applications. Under the brand name Fluorel, the company has launched three new terpolymers. 3M says that the higher fluorene content gives improved chemical resistances. More on 0344 26726.

Lifts

Installation easily by Otis

ALTHOUGH it was announced more than a year ago, Otis has just inaugurated the first installation in Europe of its Elevonic "brake" lift system, at Devonshire House just off Piccadilly.

In the Elevonic system every aspect of lift operation is controlled by its own microcomputer. These maintain constant tracking of passenger

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demand, load and car positions in addition to constantly monitoring the status and safety of all the major operating components.

After a car is called by a passenger, the computers reduce waiting time by analysing each car's status to ensure selection of the car that can answer the call fastest without degrading the service to other users. The selection is checked five times each second to see whether another car might better answer the call.

The lifts use direct thyristor controlled DC drive rather than a motor-generator set and are claimed to provide the best "ride" of any system on the market. Otis in the UK is one 01-725 9131.

Offshore

Gas relief slave

GKN Birwelle of Halesowen, in the West Midlands, has designed Sonajet, a gas relief flare, which the company says, can flare large volumes of gas in offshore oil installations in safety and with an almost limitless capacity for turn-down. The company says the flare can be mounted on an offshore platform on much shorter towers or booms than those required by conventional flares. More on 021-558 4777.

Twisting

Wire stripper

ERASER International's Bush Wire Stripper Division has developed the T1-Mix Wire Twister for the production of twisted pairs from pre-gut wires. The unit, bench mounted, is capable of twisting wires up to 23 swg in almost any length. Weighing 11 kg, two versions are available at 230/240 volt 50 Hz and 110 volt 60 Hz. More from 0264 51347.

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So you'll have to adapt all these new changes to fit human capabilities and limitations.

That applies specifically to the new information systems your company will need to make your business more competitive on all levels. That's why Ericsson gave ergonomic considerations such a high priority when they designed the systems they're installing now.

Ergonomics is the science of adapting work to man's inherent capabilities. To us, that's not just a matter of designing hardware that relieves strain on muscles and sinews and is kind to eyes and backs.

Ergonomics applies to software, too. Things like making person-to-computer dialogue natural and easy. Giving the user a free choice of voice, data, text, or pictorial communication via the same system. Keeping people instantly reachable wherever they are, on or off the premises. Making the whole system more user friendly.

It's ergonomics that made our Alfaskop terminal a best-seller in many countries. In fact, all Ericsson hardware is ergonomically designed — like the Ertex teletex terminal that has built-in menu functions and "help" buttons to make it even easier to operate. So is Ericsson software — like the new, easy-to-learn Genius programming language. Tests have shown that it can increase the user's productivity fivefold!

Best of all, the system is future-proof. Whenever the services you'll need, whatever the technical or ergonomic advances, they can be incorporated into our systems without disruption.

You'll only need a new system if man himself should ever change.

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NOTICE OF REDEMPTION

HCA FINANCE N.V.

8 3/4% Convertible Subordinated Debentures Due 1996

(Convertible into Shares of Common Stock of, and unconditionally Guaranteed on a Subordinated Basis as to Payment of Principal, Premium, if any, and Interest by Hospital Corporation of America)

Redemption Date: May 6, 1983
Conversion Right Expires: May 6, 1983

HCA Finance N.V. has called for redemption on May 6, 1983 all of its outstanding 8 3/4% Convertible Subordinated Debentures Due 1996. The redemption price is 104% of the principal amount of Debentures plus accrued interest to May 6, 1983 of \$5.10 for each \$1,000 principal amount of Debentures, for a total of \$1,045.10 for each \$1,000 principal amount of Debentures. The Debentures are convertible into shares of Common Stock of Hospital Corporation of America until the close of business on May 6, 1983, at a conversion price of \$32.65 per share or 30.65 shares of Common Stock for each \$1,000 principal amount of Debentures. As described below, based upon current market prices, the market value of the Common Stock into which each Debenture is convertible is significantly greater than the amount of cash which would be received upon surrendering such Debentures for redemption. All rights to convert the Debentures into Common Stock of Hospital Corporation of America expire at the close of business on May 6, 1983.

NOTICE IS HEREBY GIVEN to the holders of outstanding 8 3/4% Convertible Subordinated Debentures Due 1996 (the "Debentures") of HCA Finance N.V. ("Finance") that in accordance with the terms of the Indenture dated as of April 15, 1981 (the "Indenture"), among Finance, Hospital Corporation of America (the "Company"), as Guarantor, and Continental Illinois National Bank and Trust Company of Chicago, as Trustee, Finance has elected to redeem all of the outstanding Debentures on May 6, 1983 (the "Redemption Date"), at a redemption price of 104% of the principal amount thereof plus accrued interest from April 15, 1983 to May 6, 1983, or an aggregate of \$1,045.10 for each \$1,000 principal amount of Debentures. Debentures, together with all attached unamortized interest coupons, should be surrendered for payment of the redemption price and accrued interest at the option of the holder either: (a) (by hand) to Continental Illinois National Bank and Trust Company of Chicago, 30 North LaSalle Street, Chicago, Illinois 60693, Attention: Corporate Trust Operations, or (by mail) to Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, Chicago, Illinois 60693, Attention: Collection Division, or (b) subject to any laws or regulations applicable thereto in the country of any such office, to the offices of the additional Paying and Conversion Agents set forth below. Payment of the redemption price and accrued interest will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment at the offices referred to in (b) above shall be made, at the direction of the holder, by check drawn on, or transfer to a United States dollar account maintained by the payee with a bank in the Borough of Manhattan, the City of New York.

On the Redemption Date, the redemption price (plus accrued interest) will become due and payable upon each Debenture and interest thereon will cease to accrue on and after May 6, 1983. After the Redemption Date, the Debentures will no longer be outstanding in the hands of the holders thereof, and all rights of the holders with respect thereto, including accrual of interest, will cease on and after such date, except only for the right to receive the redemption price and interest accrued to May 6, 1983.

There have been no prior redemptions of the Debentures and, as a result, there have been no Debentures previously called for redemption and not presented for payment.

The election of Finance to redeem all of the outstanding Debentures has been made pursuant to the fifth paragraph of the form of Debenture. The condition precedent to the right of Finance to redeem the Debentures pursuant to such fifth paragraph has occurred because the reported last sale price per share of Common Stock of the Company ("Company Common Stock") on the New York Stock Exchange on each day on which there was such a reported last sale price within the 30 days immediately preceding the 20th day preceding the date upon which this Notice of Redemption was first published was at least 130% of the Conversion Price (as defined in the Indenture) in effect on such day.

CONVERSION OR SALE ALTERNATIVES

Debentureholders have, as alternatives to redemption, the right to sell their Debentures through usual brokerage facilities or, on or before the close of business on May 6, 1983, to convert such Debentures into Company Common Stock. The right to convert the principal of the Debentures will terminate at the close of business on May 6, 1983.

The Debentures may be converted into Company Common Stock at the rate of 30.65 shares for each \$1,000 principal amount of Debentures. In order to effect this conversion, a Debentureholder should complete and sign the CONVERSION NOTICE on the Debenture, or a substantially similar notice, and deliver the Debenture and signed notice (a) (by hand or by mail) to Continental Illinois National Bank and Trust Company of Chicago, 30 North LaSalle Street, Chicago, Illinois 60693, Attention: Corporate Trust Operations, or (b) subject to any laws or regulations applicable thereto in the country of any such office, to the offices of the additional Paying and Conversion Agents set forth below. Upon conversion of Debentures, no payment or adjustment will be made on account of any interest accrued thereon or on account of any dividends on the Company Common Stock issued upon such conversion. Debentures delivered for conversion must be accompanied by all interest coupons maturing after the date of surrender. No fractional shares are issuable upon conversion. Debentureholders will receive cash, in lieu of any fractional share, in an amount equal to such fraction multiplied by the last reported sale price of the Common Stock, regular way, on the New York Stock Exchange on the day upon which Debentures are surrendered for conversion.

From January 1, 1982, through March 23, 1983, the Company Common Stock traded on the New York Stock Exchange at prices ranging from \$48 1/2 to \$18 1/2 per share. The closing price of the Company Common Stock on the New York Stock Exchange on March 23, 1983, was \$47 3/4 per share. At such closing price per share, the holder of \$1,000 principal amount of Debentures would receive, upon conversion, shares of Company Common Stock and cash for the fractional interest having an aggregate value of \$1,467.37. However, such value is subject to change depending on changes in the market price of Company Common Stock. SO LONG AS THE MARKET PRICE OF THE COMPANY COMMON STOCK EXCEEDS \$34 1/4 PER SHARE, DEBENTUREHOLDERS UPON CONVERSION WILL RECEIVE COMPANY COMMON STOCK AND CASH IN LIEU OF ANY FRACTIONAL SHARE HAVING A GREATER MARKET VALUE THAN THE CASH WHICH THEY WOULD RECEIVE UPON REDEMPTION. FAILURE TO SURRENDER DEBENTURES FOR CONVERSION BEFORE THE CLOSE OF BUSINESS ON MAY 6, 1983, WILL AUTOMATICALLY RESULT IN REDEMPTION ON MAY 6, 1983, BY FINANCE AT A PRICE OF \$1,045.10 FOR EACH \$1,000 PRINCIPAL AMOUNT OF DEBENTURES.

IMPORTANT FINANCIAL FACTS ABOUT THE ALTERNATIVES:

Market value of Company Common Stock (including fractional share) into which each \$1,000 principal amount of Debentures is convertible (based upon the last reported sale price of the Common Stock on the New York Stock Exchange on March 23, 1983, of \$47 3/4 per share) \$1,467.37
Redemption Price (including accrued interest) for each \$1,000 principal amount of Debentures \$1,045.10

ADDITIONAL PAYING AND CONVERSION AGENTS

Continental Bank International
520 Madison Avenue
New York, New York 10022
Attention: Mr. Andrea Jansma
Telephone: (212) 308-1000

Algemeine Bank Nederland N.V.
32, Vijzelstraat
P.O. Box 669
1000 EG Amsterdam, Nederland
Attention: Mr. G. A. R. Bloemers
Telephone: 31-20-29-9111

Deutsche Bank A.G.
10-14 Grosse Gallusstrasse
Frankfurt/Main, Federal Republic of Germany
Attention: Dr. Siegfried Weber
Telephone: 49-611-2141

Banque Nationale de Paris
16 Boulevard des Capucines
P.O. Box 75450
Paris, France
Attention: Mlle. Weinszbaum
COT Service étranger USA
Telephone: 331-244-4546

Continental Illinois National Bank and Trust Company of Chicago/Branch
Continental Bank House
162 Queen Victoria Street
London EC4V 4BS England
Attention: Mr. Haruo Yoshida
Telephone: (44-1) 236-7444

Banque Bruxelles Lambert S.A.
Marx 24
Brussels, Belgium B-1050
Attention: Mr. Jean-Pierre Wellens
Telephone: 322-517-2111

Banque Generale du Luxembourg, S.A.
14 Rue Aldringen
Luxembourg, Luxembourg
Attention: Michel Lenz
Telephone: 352-4799-1

Swiss Bank Corporation
Aeschenvorsatz 1
Basle, Switzerland
Attention: Wildi Kurt
Telephone: 061-20-20-20

The method of delivery is at the option and risk of the holder, but, if mail is used, registered mail, return receipt requested, is suggested.

For HCA Finance N.V.

William W. McInnes
Managing Director

For Hospital Corporation of America

Thomas F. Frist, Jr.
President and Chief Executive Officer

This Notice of Redemption is not and under no circumstances is to be construed as an offer to sell or as a solicitation of an offer to buy any of the securities of Finance or of the Company. Copies of a prospectus relating to shares of the Company's Common Stock issuable upon conversion of Debentures may be obtained from any of the Conversion Agents named above.

IT IS URGENT THAT DEBENTUREHOLDERS GIVE THIS MATTER IMMEDIATE ATTENTION. FAILURE TO CONVERT YOUR DEBENTURES TO COMPANY COMMON STOCK PRIOR TO THE CLOSE OF BUSINESS ON MAY 6, 1983 COULD RESULT IN MONETARY LOSS TO YOU.

Dated: April 5, 1983

APPOINTMENTS

BURNETT & HALLAMSHIRE HOLDINGS has appointed Mr. C. David Waihen, planning director, chairman of the property division, Anglo Overseas Construction Corp. and chairman of the oil division, UK Petroleum Products Holdings. Burnett & Hallamshire's mining division has made the following board appointments within the division's parent company. The Mining Investment Corp. Mr. James I. M. Pichford is appointed joint managing director (mining operations). Mr. John R. Hall has been made director responsible for mining Europe. Mr. Nicholas J. H. Hall has become director, mining international and Mr. Kenneth J. Daff director responsible for the group's reclaimed fuel operations. Mr. Brian Train, commercial director of Burnett & Hallamshire Fuel, is made managing director in succession to Mr. Daff.

Mr. Niall Crowley, chairman of IRE LIFE ASSURANCE COMPANY has decided to retire from the position of chairman at the annual meeting in June. He will remain a director. Mr. John P. Reihill, a director, has become deputy chairman and will succeed Mr. Crowley after the annual meeting. Mr. Reihill is chairman of Tedcastle McCormick and Co. and Coal Distributors, and a director of Alliance and Dublin Consumers Gas Co.

Dr. Marcello Costi has been named as chairman and managing director of MILES LABORATORIES. He will remain area vice president—Europe and Africa.

Mr. John Whitaker has been appointed a non-executive director of PAULS AND WHITES from April 1. Mr. Whitaker is chairman and chief executive of the John E. Whitaker Group.

Mr. David Hart has been appointed managing director of BURGESS POWER TOOLS. Mr. Hart was commercial manager and deputy to the sales and marketing director of Thorn EMI Gas Appliances.

Mr. Ralph J. Sharp, a partner in Fletcher Head and Gilberts, is to be admitted as a partner in the London office of SPICER AND PEGLER.

Mr. Alan McNeill, general sales manager of Next, the Leicester-based women's wear chain of the J. HEPWORTH GROUP, has been appointed sales director.

THE ADVERTISING ASSOCIATION has appointed Sir Graham Williams, chairman and chief executive of the Seacraft Group, the AA's next president. Sir Graham's term of office commences after the association's annual meeting in May, when he will succeed Sir Alex Jarvis, chairman of Reed International, who has been president since 1979.

WYETH LABORATORIES has appointed Mr. R. C. I. Bate managing director from April 1. Mr. Bate was group managing director of G.P.G. International, a subsidiary of Arthur Guinness and Sons. Dr. E. T. Berrows, whom Mr. Bate succeeds as managing director, will remain as chairman and in addition will shortly be assuming an important new role within Wyeth International.

LEEDS PERMANENT BUILDING SOCIETY has appointed Sir Timothy Kitson to its board. Representing the constituency of Richmond since 1958, Sir Timothy Kitson has already announced his intention to retire from parliament at the next election.

The National Coal Board has agreed to release Mr. Harold Rhodes, director of overseas mining and director of British Coal International, at the end of March when he will be appointed the first full time director general of the ASSOCIATION OF BRITISH MINING EQUIPMENT COMPANIES. Mr. Rhodes will succeed Mr. Les Reid who has been the association's part time director-general since retiring three years ago from his last diplomatic appointment as H.M. Consul-General in Cleveland, Ohio.

Mr. K. M. Townsend has been appointed to the board of RADWAY and elected chairman. Mr. Townsend is a director of Ciba-Geigy and chairman of C.G.I. Pension Trust.

Mr. Jonathan M. Cowan has been appointed an associate director of J. BESSO & CO.

Mr. T. G. Jenkins, formerly district surveyor for Chelsea, has joined the board of BARRATT CENTRAL LONDON as technical director.

Mr. R. G. Nightingale and Mr. D. G. Mathison have been appointed to the board of MORGAN GREENFELL PROPERTY SERVICES.

Mr. Justin Downes, formerly an account director at Burson Marsteller, has been appointed a director of FINANCIAL STRATEGY.

N. M. ROTHSCHILD & SONS has appointed Mr. David Blackett and Mr. Peter Sullivan to its board.

Mr. James R. Vaughn of New York has been appointed to the

board of HOGG ROBINSON and the company's northern and Welsh regions.

Mr. Richard A. Freeman has been appointed a director of CHARTERHOUSE JAPHET. Mr. Roy C. Bowley, Mr. Christopher I. Collins, Mr. Michael R. Harveys and Mr. P. Howard W. Rix have been appointed assistant directors.

Mr. Nigel Leedebeer has been appointed a director of SAVE & PROSPER INVESTMENT MANAGEMENT from April 1.

Mr. John D. Radford, joint managing director of STAG FURNITURE HOLDINGS, has become non-executive deputy chairman of the group. He will act as principal adviser to the group on manufacturing and capital expenditure. Mr. Patrick N. Clancy, who joined Stag in September 1982 as joint managing director, takes over as group managing director on the same date.

Mr. D. C. Baines, Mr. D. R. Manwaring, Mr. K. J. Salway and Mr. D. L. Sutherland have been appointed directors of C. T. BOWRING REINSURANCE.

Mr. Michael Robertson has been appointed a director of CLOUGH SMITH with responsibility for

the company's northern and Welsh regions.

Mr. David Foad, principal accountant of the SPORTS COUNCIL, has been appointed to the new post of director of finance.

CRODA INTERNATIONAL has appointed Mr. R. E. Poskitt as an associate director. He is responsible for central control of the group's accounting and treasury functions.

The London branch of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST OF CHICAGO has made the following appointments: In international banking services Mr. Graham Waits has been named a vice-president and Mr. R. James Grinstead has been named a second vice-president. In special industries services Mr. Christopher J. Long has been promoted to vice-president from second vice-president. Mr. Mirosław Iziński has been promoted to second vice-president from banking officer and Mr. John T. McGurran has been named a banking officer. Mr. Robin D. McFarlane has been named a second vice-president and Mr. Robert J. Enslinman Jr. a bond officer in the financial futures division.

BASE LENDING RATES

A.B.N. Bank	10 1/2%	Guinness Mahon	10 1/2%
Al Baraka International	10 1/2%	Hambros Bank	10 1/2%
Allied Irish Bank	10 1/2%	Heritable & Gen. Trust	10 1/2%
Amro Bank	10 1/2%	Hill Samuel	10 1/2%
Henry Ansbacher	10 1/2%	C. Hoare & Co.	10 1/2%
Arbuthnot Latham	10 1/2%	Hongkong & Shanghai	10 1/2%
Armo Trust Ltd.	10 1/2%	Kingsnorth Trust Ltd.	12 1/2%
Associates Cap. Corp.	11%	Knowles & Co. Ltd.	11%
Banco de Bilbao	10 1/2%	Lloyds Bank	10 1/2%
Bank Hapoalim BM	10 1/2%	Mallinham Limited	10 1/2%
BCCI	10 1/2%	Edward Manson & Co.	12%
Bank of Ireland	10 1/2%	Midland Bank	10 1/2%
Bank Leumi (UK) plc	10 1/2%	Morgan Grenfell	10 1/2%
Bank of Cyprus	10 1/2%	National Westminster	10 1/2%
Bank Street Sec. Ltd.	10 1/2%	Norwich Gen. Trst.	10 1/2%
Banque Belge Ltd.	10 1/2%	P. S. Refson & Co.	10 1/2%
Banque du Rhone	11%	Royal Trust Co. Canada	10 1/2%
Barclays Bank	10 1/2%	Roxburgh	11%
Beneficial Trust Ltd.	11%	Slavenburg's Bank	10 1/2%
Bremar Holdings Ltd.	11 1/2%	Standard Chartered	10 1/2%
Brit. Bank of Mid. East	10 1/2%	Trade Dev. Bank	10 1/2%
Bank of Montreal	10 1/2%	Trustee Savings Bank	10 1/2%
Canada Perm. Trust	11%	TCS	10 1/2%
Castle Court Trust Ltd.	11%	United Bank of Kuwait	10 1/2%
Cayzer Ltd.	10 1/2%	Volkswagen Bank	10 1/2%
Cedar Holdings	11%	Westpac Banking Corp.	10 1/2%
Charterhouse Japhet	10 1/2%	Whiteaway Ltd.	11%
Choukroun	11%	Williams & Glyn's	10 1/2%
Citibank Savings	10 1/2%	Winttrust Secs. Ltd.	10 1/2%
Clydesdale Bank	10 1/2%	Yorkshire Bank	10 1/2%
C. E. Coates	11%		
Comm. Bk. of N. East	10 1/2%		
Consolidated Credits	10 1/2%		
Co-operative Bank	10 1/2%		
The Cyprus Popular Bk.	10 1/2%		
Duncan Lawrie	10 1/2%		
E. T. Trust	11 1/2%		
Exeter Trust Ltd.	11 1/2%		
First Nat. Fin. Corp.	13%		
First Nat. Secs. Ltd.	13%		
Robert Fraser	11 1/2%		
Grindlays Bank	10 1/2%		

A FINANCIAL TIMES SURVEY

WORLD BANKING

Part 1, 9th May, 1983 Part 2, 16th May, 1983

The Financial Times proposes to publish a Survey on the above. The provisional editorial synopsis is set out below:

PART 1

INTRODUCTION: The problems facing the world's banks have escalated rapidly over the past twelve months. Many of their domestic and international clients have run into difficulties and this has badly shaken confidence in the world banking system. Many banks are reviewing their international strategies after a decade of unprecedented foreign expansion.

Editorial coverage will also include:

World Economy
The International Interbank
Money Markets
The Oil Price and Oil Money Flows
The Problem Countries

Central Banks
The International Agencies
Sovereign Risk Analysis
Europe's Banking System:
Country profiles

PART 2

INTRODUCTION: The business of banking: a look at how banks are coping with the major changes in their operating environment. Increasing regulatory controls, rapidly changing customer demands, a deterioration in the economic climate, plus competition from new sorts of financial service companies are all combining to test the responsiveness of bank managements. In an industry noted for its traditional conservatism the banks are playing for high stakes.

Editorial coverage will also include:

Retail Banking
Correspondent Banking
Corporate Banking
Technology
Financial Services
North America

Israel
Middle East
Asia and Pacific Basin
Caribbean
Latin America
Africa

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10 Cannon Street, London EC4A 3DF
Tel: 01-248 8000 ext 3238 Telex: 885033 FINTIM G

The size, contents and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

A programme of forthcoming surveys for 1982 is available on a monthly basis to existing and potential advertisers. If you would like to receive a regular copy, please return the coupon.

NAME _____
TITLE _____
COMPANY _____
ADDRESS _____

Industry in which company is involved:

Digest of cases reported in Hilary Term

FROM JANUARY 11 TO FEBRUARY 2, 1983

January 21, 1972, the defendants had committed deliberate and persistent breaches of the Shop Act, which governed Sunday trading, the borough council's application for an injunction to restrain them from further unlawful trading, and the defendants' application for an injunction to restrain the council from further proceedings for an injunction for breaches of the criminal law, applied only where continuance of the defendants' unlawful trading would be a hardship or a financial hardship on the basis of the

It was not the purpose of a Mareva injunction to secure priority for a plaintiff; still less to punish a defendant, Mr. Justice Lloyd said in the Commercial Court. Its sole purpose was to prevent a plaintiff being cheated out of the proceeds of his action by a defendant who dissipates the assets. Mr. Dixon, in this case, could not be said

AUTHORISED UNIT TRUSTS

[illegible][illegible][illegible][illegible]

[illegible]

INDUSTRIALS—Continued

First	Last	Day	Yr	Product
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[illegible]

LEISURE—Continued

[illegible]**PROPERTY—Continued**[illegible]**INVESTMENT TRUSTS Cont.**[illegible]

OIL AND GAS Continued

OIL AND GAS—Continued									
		Stock	Price	Last	Net	Chg	Vol	P/E	
Mar	July	Midcontinent S1	175	111	95	28	6.2		
Mar	July	Midcontinent S2	175	111	95	28	6.2		
Mar	July	Midcontinent S3	175	111	95	28	6.2		
Mar	July	Midcontinent S4	175	111	95	28	6.2		
Mar	July	Midcontinent S5	175	111	95	28	6.2		
Mar	July	Midcontinent S6	175	111	95	28	6.2		
Mar	July	Midcontinent S7	175	111	95	28	6.2		
Mar	July	Midcontinent S8	175	111	95	28	6.2		
Mar	July	Midcontinent S9	175	111	95	28	6.2		
Mar	July	Midcontinent S10	175	111	95	28	6.2		
Mar	July	Midcontinent S11	175	111	95	28	6.2		
Mar	July	Midcontinent S12	175	111	95	28	6.2		
Mar	July	Midcontinent S13	175	111	95	28	6.2		
Mar	July	Midcontinent S14	175	111	95	28	6.2		
Mar	July	Midcontinent S15	175	111	95	28	6.2		
Mar	July	Midcontinent S16	175	111	95	28	6.2		
Mar	July	Midcontinent S17	175	111	95	28	6.2		
Mar	July	Midcontinent S18	175	111	95	28	6.2		
Mar	July	Midcontinent S19	175	111	95	28	6.2		
Mar	July	Midcontinent S20	175	111	95	28	6.2		
Mar	July	Midcontinent S21	175	111	95	28	6.2		
Mar	July	Midcontinent S22	175	111	95	28	6.2		
Mar	July	Midcontinent S23	175	111	95	28	6.2		
Mar	July	Midcontinent S24	175	111	95	28	6.2		
Mar	July	Midcontinent S25	175	111	95	28	6.2		
Mar	July	Midcontinent S26	175	111	95	28	6.2		
Mar	July	Midcontinent S27	175	111	95	28	6.2		
Mar	July	Midcontinent S28	175	111	95	28	6.2		
Mar	July	Midcontinent S29	175	111	95	28	6.2		
Mar	July	Midcontinent S30	175	111	95	28	6.2		
Mar	July	Midcontinent S31	175	111	95	28	6.2		
Mar	July	Midcontinent S32	175	111	95	28	6.2		
Mar	July	Midcontinent S33	175	111	95	28	6.2		
Mar	July	Midcontinent S34	175	111	95	28	6.2		
Mar	July	Midcontinent S35	175	111	95	28	6.2		
Mar	July	Midcontinent S36	175	111	95	28	6.2		
Mar	July	Midcontinent S37	175	111	95	28	6.2		
Mar	July	Midcontinent S38	175	111	95	28	6.2		
Mar	July	Midcontinent S39	175	111	95	28	6.2		
Mar	July	Midcontinent S40	175	111	95	28	6.2		
Mar	July	Midcontinent S41	175	111	95	28	6.2		
Mar	July	Midcontinent S42	175	111	95	28	6.2		
Mar	July	Midcontinent S43	175	111	95	28	6.2		
Mar	July	Midcontinent S44	175	111	95	28	6.2		
Mar	July	Midcontinent S45	175	111	95	28	6.2		
Mar	July	Midcontinent S46	175	111	95	28	6.2		
Mar	July	Midcontinent S47	175	111	95	28	6.2		
Mar	July	Midcontinent S48	175	111	95	28	6.2		
Mar	July	Midcontinent S49	175	111	95	28	6.2		
Mar	July	Midcontinent S50	175	111	95	28	6.2		
Mar	July	Midcontinent S51	175	111	95	28	6.2		
Mar	July	Midcontinent S52	175	111	95	28	6.2		
Mar	July	Midcontinent S53	175	111	95	28	6.2		
Mar	July	Midcontinent S54	175	111	95	28	6.2		
Mar	July	Midcontinent S55	175	111	95	28	6.2		
Mar	July	Midcontinent S56	175	111	95	28	6.2		
Mar	July	Midcontinent S57	175	111	95	28	6.2		
Mar	July	Midcontinent S58	175	111	95	28	6.2		
Mar	July	Midcontinent S59	175	111	95	28	6.2		
Mar	July	Midcontinent S60	175	111	95	28	6.2		
Mar	July	Midcontinent S61	175	111	95	28	6.2		
Mar	July	Midcontinent S62	175	111	95	28	6.2		
Mar	July	Midcontinent S63	175	111	95	28	6.2		
Mar	July	Midcontinent S64	175	111	95	28	6.2		
Mar	July	Midcontinent S65	175	111	95	28	6.2		
Mar	July	Midcontinent S66	175	111	95	28	6.2		
Mar	July	Midcontinent S67	175	111	95	28	6.2		
Mar	July	Midcontinent S68	175	111	95	28	6.2		
Mar	July	Midcontinent S69	175	111	95	28	6.2		
Mar	July	Midcontinent S70	175	111	95	28	6.2		
Mar	July	Midcontinent S71	175	111	95	28	6.2		
Mar	July	Midcontinent S72	175	111	95	28	6.2		
Mar	July	Midcontinent S73	175	111	95	28	6.2		
Mar	July	Midcontinent S74	175	111	95	28	6.2		
Mar	July	Midcontinent S75	175	111	95	28	6.2		
Mar	July	Midcontinent S76	175	111	95	28	6.2		
Mar	July	Midcontinent S77	175	111	95	28	6.2		
Mar	July	Midcontinent S78	175	111	95	28	6.2		
Mar	July	Midcontinent S79	175	111	95	28	6.2		
Mar	July	Midcontinent S80	175	111	95	28	6.2		
Mar	July	Midcontinent S81	175	111	95	28	6.2		
Mar	July	Midcontinent S82	175	111	95	28	6.2		
Mar	July	Midcontinent S83	175	111	95	28	6.2		
Mar	July	Midcontinent S84	175	111	95	28	6.2		
Mar	July	Midcontinent S85	175	111	95	28	6.2		
Mar	July	Midcontinent S86	175	111	95	28	6.2		
Mar	July	Midcontinent S87	175	111	95	28	6.2		
Mar	July	Midcontinent S88	175	111	95	28	6.2		
Mar	July	Midcontinent S89	175	111	95	28	6.2		
Mar	July	Midcontinent S90	175	111	95	28	6.2		
Mar	July	Midcontinent S91	175	111	95	28	6.2		
Mar	July	Midcontinent S92	175	111	95	28	6.2		
Mar	July	Midcontinent S93	175	111	95	28	6.2		
Mar	July	Midcontinent S94	175	111	95	28	6.2		
Mar	July	Midcontinent S95	175	111	95	28	6.2		
Mar	July	Midcontinent S96	175	111	95	28	6.2		
Mar	July	Midcontinent S97	175	111	95	28	6.2		
Mar	July	Midcontinent S98	175	111	95	28	6.2		
Mar	July	Midcontinent S99	175	111	95	28	6.2		
Mar	July	Midcontinent S100	175	111	95	28	6.2		

OVERSEAS TRADERS									
		Stock	Price	Last	Net	Chg	Vol	P/E	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
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May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
May	June	African Lumber	25	32.5	0.1	0	4.8	0	
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May	June	African Lumber	25	32.5					

NOMURA
INTERNATIONAL LIMITED
**NEW-ERA INVESTMENT
AND UNDERWRITING**
OFFICES WORLDWIDE
3 Gardens Road, 6 Street, FCB, SINGAPORE
Telephone: (01) 281 8811

MINES Continued

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NOTES

[illegible]

PLANTATIONS

[illegible]**MINES** ·[illegible]

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

1959			
Alhany Inc. 20p	52	Ench. 25pc 1983	1999 +1
Bertrams	37#	Sam. 94% 94/99	1264
Best 50c	52	92% 97/02	1264
Craig & Rowe 51c	52	Alliant Gas	+1
Fidelity Pkg. 50c	37	Armco	180
Grain Ship. 51	135	Carroll (P.J.)	+3
Harb. 1961 25c	52	Concrete Products	+4
H.Q.M. 50c	918	Hedden Hldgs.	92
I.G.M. 50c	90	Irish Reps	88
Peacock (C.H.)	134	Jacob	+3
Pet Hldgs.	162	T.M.G.	85

OPTIONS

3-month Call Rates

Industrials		House of Fraser	15	Unit Drapery	7
Allied-Lyons	15	I.C.I.	24	Vickers	12
BCC Gp	17	I.C.I.	8	Woolworth Hld.	15
B & R	2	Imperial	9		
Balchuck	18	Ladbroke	16	Property	
Barclays Bank	35	Legal & Gen.	28	Birk. Land	71 1/2
Beverages	35	Lee Service	16	Cop. Counties	12
Blue Circle	44	Lloyds Bank	35	Land Sec.	26
Boots	22	"Loaf"	1	MEPC	17
Brownwater	19	London Brick	12	Peachey	14
Brown, Ainsworth	28	Marsons High	12	Samuel Pons	19
Bull. (A.S.)	8	M&A	16	Town & City	3
Burton	50	Miles & Sonner	16		

OIL AND GAS

Aug.	17	Am Oil Pkt 20c	56	-	1.25	2.3	3.2	19.2	Aug.
Aug.	18	Am Oil Pkt 20c	43	777	-	-	-	-	Aug.
Aug.	19	14c Am Empty 20c	9	-	-	-	-	-	Sept.
Aug.	20	Atlantic Res.	110	-	-	-	-	15.7	Sept.
Aug.	21	Atlantic Res. Int.	32	-	-	-	-	-	Sept.
Aug.	22	10c Empty 20c	75	-	-	-	-	-	Sept.
Aug.	23	Atlantic Res. Int.	62	28	10	-	2.5	-	Sept.
Aug.	24	Atlantic Res. Int.	255	15.11	12.8	1.3	7.2	15.8	Sept.
Aug.	25	Atlantic Res. Int.	135	-	-	-	-	-	Sept.
Aug.	26	Atlantic Res. Int.	340	21.5	20.25	0	8.5	0	Sept.
Aug.	27	Atlantic Res. Int.	792	15.12	5.6	0	10.1	0	Sept.
Aug.	28	Atlantic Res. Int.	184	-	-	0.2	8.3	7.8	Sept.
Aug.	29	Atlantic Res. Int.	-	-	-	-	-	-	Sept.
Aug.	30	Atlantic Res. Int.	-	-	-	-	-	-	Sept.
Aug.	31	Atlantic Res. Int.	-	-	-	-	-	-	Sept.

Oct.	Rand London 15c.	30	10 20
July	Rand Mex. Prop. R1	575	29 12

Feb	Sentinel 10C	860	73	1094c	1.4	6.8	Glen
Mar	T. vast Can. LR1	536	29	1126c	2.1	4.5	Grass
Apr	U. C. Invest R1	511 1/2	37	1130c	1.2	7.0	G. U.S.
May	Veget. 25c	280	31 1/2	114c	0	4.2	Georbia
							S.W.H.
							Hawkins

Diamond and Platinum

May/Aug/Ast/Am/Jun 50c	157	17.5	4000c	1.8	4	
Oct. De Berms Df. 50c	524d	21.9	3371c	0	4.5	
Aug. Oc. 40c P1. 85c	975	31.2	1280c	0	12.1	
Oct. Impala Plat. 20c	685d	21.5	075c	2.1	6.8	This is
May/Lendburg 125c	400	11.1	131c	1.8	4.9	Exch
May/Ron. Plat. 10c	980	18.0	135c	0.9	4.6	

3.2	3.8	F.R.F.C.	4	Neatly
		Gen. Accident	30	Beed l
		Gen. Electric	24	Seas

45	T.I.	13	Miles	28
25	Tesco	8		
10	Thorn EMI	38	Charter Conc.	46
10	Trust House	4	Cons. Gold	46
15	United Newcastle	4		
30	Unilever	65	Rio T. Zinc	42

"Recent Issues" and "Rights" Page 18

Service is available to every Company dealt in on Stock
 exchanges throughout the United Kingdom for a fee of £600
 per annum for each security

FINANCIAL FUTURES

Insurances—continued

bond offerings, which included sizeable amount of new money also served to keep rates high.

In the European Monetary System the D-mark claimed the novel distinction (novel for the D-mark that is) of being fixed at its floor level against the French franc, Irish punt and Danish krone. Despite the introduction of stringent austerity measures by the French however, a continuation of the wide gap between rates inside and outside West Germany should ultimately see current positions within the system being reversed.

	Spot	1 month	3 month	6 month	12 month
Dollar	1.4835	1.4822	1.4803	1.4797	1.4788
D-Mark	3.6025	3.5850	3.5650	3.5143	3.4424
French Franc	10.7850	10.8025	10.8475	10.9751	11.2860
Swiss Franc	3.0825	3.0750	3.0425	2.9976	2.9132
Japanese Yen	354.5	353.3	351.0	347.8	342.4

BANK OF ENGLAND TREASURY BILL TENDER					
	March 31	March 25		March 31	March 25
Bills on offer..	£100m	£100m	*Top accepted	10.288%	10.248%
Total of			rate of discount.		
applications	£29,659m	£36,859m	Average	10.217%	10.272%
Total allocated	£100m	£100m	rate of discount	10.4%	10.4%
Minimum			average yield..		
accepted bid..	£97.45	£97.445	Amount on offer	£100m	£100m
Bank at			at next tender ..		
10MARCH level.	83%	87.4%			

Mar. 51	Bank of England Quintly	Morgan Quintly	Mar. 30	Bank rate	Special Drawing	European Currency
	Change %	Change %		%	Unit	Unit
Sterling	79.5	-40.3	Sterling	7	0.729324	0.629735
U.S. dollar	123.7	+12.6	U.S. \$	9 1/2	1.07967	1.0769
Swiss franc	123.5	+21.6	Canadian \$	9 1/2	1.18395	1.15707
Austrian schilling	95.1	-0	Austrian Sch	8 1/2	1.96477	1.96477
Belgian franc	95.1	-0	Danish kr	8 1/2	N/A	7.96134
French franc	131.1	+56.5	D mark	9	2.17139	2.14280
Deutsche mark	119.6	+104.1	French F	11	1.86477	1.86477
Swiss franc	71.7	-22.5	French F	11	1.78419	1.78419
Swiss franc	119.1	+22.5	Yen	9 1/2	258.354	220.796
French franc	119.1	+22.5	Yen	9 1/2	258.354	220.796
Yen	146.1	+28.9	Norwegian kr	9	N/A	6.66054
			Swedish kr	9	0.80975	0.83844
			Swiss Fr	11	1.78419	1.78419
			Great or Ir	20	0.50750	0.49670

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 100) = 100.

% CSD/SDR rate for March 30: 1.3265

March 31	Day's spread	Close	One month	Three months
			p.a.	p.a.
UK	1.4680-1.4850	1.4830-1.4940	0.15-0.10c pm	1.51 03-03.30 pm
Ireland	1.4680-1.4850	1.4830-1.4940	0.15-0.10c pm	1.51 03-03.30 pm
Canada	1.2310-1.2340	1.2330-1.2340	0.04c-0.01c pm	1.04 03.07-0.07c pm
Nehind.	2.7300-2.7350	2.7300-2.7320	1.32-1.32c pm	5.56 3.67-3.57 pm
Denmark	8.8500-8.8550	8.8500-8.8550	3.21-3.21c pm	3.21 3.21-3.21c pm
W. Ger.	2.4225-2.4250	2.4250-2.4270	0.95-0.90pt pm	4.57 2.78-2.74 pm
Spain	136.76-138.36	137.50-138.36	100.80-80c	100.80-80c
Italy	1.1460-1.1480	1.1460-1.1470	8.10-10c	7.47 20-20c
France	7.2650-7.2660	7.2650-7.2660	1.70-1.70c	3.14 5.50-5.50c
Japan	236.20-237.00	236.20-237.00	0.65-0.60pm	2.14 1.97-1.99pm
Australia	17.04-17.07	17.05-17.06	0.25-0.40pm	0.48 18.50-18.50pm
Sweden	1.4680-1.4850	1.4830-1.4940	0.15-0.10c pm	1.51 03-03.30 pm

UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

	Mar. 31 change		Mar. 31 change
LONDON		NEW YORK	
Base rates	10½	Prime rates	10½
7 day Interbank	10½-10¾	Federal funds	10½
3 mth Interbank	10½-10¾	3 mth Treasury Bills	8.61
Treasury Bill Tender	10.5175	6 mth Treasury Bills	8.66
Bank 1 Bill	10½	5 Mth G O	9.20
Bank 2 Bills	10½	FRANKFURT	
Bank 3 Bills	10½	Lombard	5.00
1 Mth. Treasury Bills	10½	1 Mth. Interbank	5.175
1 Mth. Bank Bills	10½	3 mth Interbank	5.30
3 Mth. Bank Bills	10½		
		PARIS	
TOKYO		Interest Rate	12½
One month Bills	6.78125	1 Mth. Interbank	12½
Three month Bills	6.8475	Three month	12½
		MILAN	
BRUSSELS		One month	18½
One month	12	Three month	19½
Three month	12		
AMSTERDAM		DUBLIN	
One month	4½	One month	18
Three month	4½	Three month	15½

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on March 31, 1963, in some cases rate of nominal. Market rates are the average of buying and selling rates

Abbreviation: (A) *appreciate rate*, no direct quotation available; (F) *free rate*; (P) based on U.S. dollar parties and going starting-dollar rates; (T) *tourist rates*; (B) *basic rate*; (bg) *buying rate*; (Bk) *bankers' rates* (on currency rates); (C) *convertible rates*; (f) *financial*; (N) *non-commercial certificate rates*; (no) *nominal*; (o) *official rate*; (sg) *selling rate*.

market faced a total shortage of £1.6bn compared with £2.8bn for five days the previous week. The Bank of England's operations in the market saw overnight inter-bank money finishing each day at 1 per cent. Two weeks ago sterling was testing new levels. Last week saw some consolidation followed by a small improvement. If next week were to see this steady to firmer performance continue the market would probably start once again to look a little closer at the possibilities of a cut in base rates.

1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLACE AND LOCAL UNIT	VALUE OF £ STERLING
Afghanistan..... Afghan	99.00	Greenland..... Danish Kroner	12.74	Peru..... Sol	100 (at 11,772.41)
Albania..... Lirk	10.20	Guatemala..... E. Caribbean \$	4.005	Philippines..... Philippine Peso	34.10
Algeria..... Dinar	(A) 6.2830	Guadeloupe..... Local Franc	10.785	Pitcairn Islands..... £ Sterling	2.8700
Andorra..... Spanish Franc	202.43	Haiti..... Gourde	2.42	Poland..... Zloty	127.48
Angola..... Kwanzas	(CM) 48.694	Honduras Repub. Lempira	2.9788	Portugal..... Portugal's Escudo	148.25
Antigua..... Antigua Dollars	5.00	Hong Kong..... H.K. \$	9.8325	Porturo Rico..... U.S. \$	1.4835
Argentina..... Ar. Peso	99.805	Hungary..... Forint	56.6112	Qatar..... Qatar Rial	5.36
Australia (S)..... Australian \$	1.7085	Iceland..... Ind. Krona	30.835	Reunion Ile de la..... French Franc	10.785
Austria..... Schilling	35.295	India..... Ind. Rupee	14.70	Romania..... Leu	10.785
Bahamas..... Bahama \$	145.25	Indonesia..... Rupiah	1,436.6	Rwanda..... Rwanda Franc	(M) 218.68
Bahamas..... Portu. \$ Escudo	1.4825	Ireland..... I. Krona	30.835	St. Christopher..... E. Caribbean \$	4.005
Bahamas..... S. Pesta	202.40	India..... Ind. Rupee	14.70	St. Helena..... St. Helena \$	4.005
Bangladesh..... Taka	85.60	Iran..... Rial	124.1020	St. Pierre..... Local Franc	10.785
Barbados..... Barbados \$	2.8670	Iraq..... Riq	4.03695	St. Vincent..... E. Caribbean \$	4.005
Belgium..... B. Franc	(form) 71.50	Iran..... Rial	124.1020	Salvador El..... Colon	3.7105
Belize..... B \$	(form) 72.70	Irish Republic..... Irish Republic \$	1.4810	Samoa American..... U.S. \$	1.4825
Bolivia..... B. \$	559.25	Israel..... Shekel	59.20	San Marino..... Italian Lira	5.145.0
Bolivia..... C.A. \$ Franc	1.4835	Italy..... Lira	5.145.0	San Tome & Prin..... Dobra	62.10
Bolivia..... Indian Rupee	3.4000	U.S.A. U.S. \$	1.00		

NEW YORK		NETHERLANDS	
Prime rate	10 1/2	Discount rate	3 1/2
90-day Fed funds	10 1/2	Overnight rate	4 1/2-6 1/2
Treasury bills (13-week) ..	8.61	One month	4 1/2-6 1/2
Treasury bills (26-week) ..	8.60	Three months	4 1/2-6 1/2
		Six months	4 1/2-6 1/2
GERMANY		S & CERTIFICATES OF DEPOSIT	
Lombard	8.50	One month	9.15-9.25
Overnight	5.07	Three months	9.15-9.25
One month	5.15	Six months	9.30-9.40
Three months	5.30	One year	9.50-9.70
Six months	5.35		
FRANCE		LONG TERM EURO \$	
Intervention rate	12.5	Two years	10 1/2-11

[illegible]

Discount rate	4	One month	8 $\frac{1}{2}$ -8 $\frac{3}{4}$
Overnight rate	2 $\frac{1}{2}$ -3 $\frac{1}{2}$	Three months	8 $\frac{1}{2}$ -9 $\frac{1}{2}$
One month	3 $\frac{1}{2}$ -4 $\frac{1}{2}$	Six months	9 $\frac{1}{2}$ -9 $\frac{3}{4}$
Three months	3 $\frac{3}{4}$ -4 $\frac{3}{4}$	One year	9 $\frac{3}{4}$ -10 $\frac{1}{2}$

* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupee per pound. ** Rate is the transfer market controlled. †† Now an official rate. (1) United rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (2) Based on gross rates against Russian ruble. (3) Essential goods. (4) Controlled rate for priority imports such as foodstuffs, Non-essential imports and private sector applicants. (5) Preferential rate for public sector debt and essential imports. (6) Government controlled for non-essential imports. (7) Free rate for luxury imports, remittances of money abroad and foreign travel. (8) The rate for the Ecuete on March 26 should have been 389.4.